

JPRS 78942

10 September 1981

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2171

FBIS

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RESULTS OF INTERNATIONAL MARKET RESEARCH CONFERENCE ANALYZED

East Berlin WIRTSCHAFTSWISSENSCHAFT in German Vol 29 No 5, May 81 signed to press 15 Mar 81 pp 610-616

/Report by Herbert Ehrlich and Thomas Stuerzer on international conference on "The Contribution of Consumer and Market Research to the Fulfillment of Foreign Trade Tasks Toward Socialist and Non-Socialist Countries," sponsored by Bruno Leuschner School of Economics, East Berlin, 21-23 October 1980: "Consumer and Market Research in the Foreign Trade of the Socialist Countries"

/Text/ On the occasion of the 30th anniversary of the Bruno Leuschner School of Economics, Berlin, the foreign trade section sponsored an international scientific conference on the topic "The Contribution of Consumer and Market Research to the Fulfillment of Foreign Trade Tasks Toward Socialist and Non-Socialist Countries," held on 21-23 October 1980.

The conference was organized by the school's faculty for foreign trade organization and market research in coordination with the Ministry for Foreign Trade and with the involvement of the study group "consumer and market research" at the Chamber of Technology. Sixty-five representatives from scientific facilities and market research institutes in eight CEMA member countries, from GDR central state organs as well as combines and foreign trade enterprises attended. The conference aimed at an exchange of experiences about the status and problems of the subject matter and organization of market research in the foreign trade of the socialist countries. Also discussed were new trends in cooperation with regard to research, instruction and business practice.

The conference opened with a plenary session addressed by Professor Dr Sieber, rector of the School of Economics, and Professor Dr Winkler who read the introductory lecture. It then split into two study groups:

1. On the subject matter, methods and problems of consumer and market research in the further development of economic relations with socialist and non-socialist countries.
2. On the organization of consumer and market research and its inclusion in management and planning.

The basis for the exchange of opinions and experiences in the study groups was provided by theses and the introductory lecture, in the course of which Winkler dealt with two main tasks with respect to the improvement of market research.

To begin with she dealt with market research as a management task. Starting from the demands arising on the socialist economy from the growing foreign trade relations and some increasingly complex processes within the national economy and on foreign markets, she showed that market research is able to a certain extent to minimize the elements of uncertainty in longer-term management and planning decisions by the provision of decisionmaking bases and variants supported by knowledge of the demand and the realization conditions. Required for this is advance knowledge regarding:

- The dynamism of needs and demands;
- The trends of market development in connection with scientific-technological advances;
- Specific production and investment problems of the main users;
- The conditions for the introduction of new products to the markets.

Subsequently the lecturer assessed the status and problems prevailing in the management of consumer and market research in GDR foreign trade. The process of consumer and market research in business practice is characterized mainly by its incorporation in central regulations such as the planning order or the general directive on enterprise planning, but also by the more consistent translation of research results to the decisionmaking process of the industrial combines. Nevertheless some defects still persist, due largely to the sometimes negative attitude of some management cadres to market research and also to the lack of sufficient market research cadres.

Next Winkler dealt with the complexity of market research, which she ascribed to the complexity of the reproduction process on the one hand and the complexity of the market on the other. Though the market is an economic category with the factors supply, demand and price, its extent, structure and dynamism are affected, directly or indirectly, by a plethora of political, geographic, historical, ethnic and other factors. The efficacy of such factors and their observance in market analyses was demonstrated, especially, by way of market research relating to the export of plant to developing countries.

In conclusion the lecturer emphasized the particular significance of long-range market studies for the preparation of product and market strategies by the combines. She warned against largely short-term oriented market research which usually cannot effect more than adjustment to current market events.

The first study group, dealing with problems of market research in foreign trade with socialist and non-socialist countries, began the discussion by noting the fact that the subject matter of studies and the methodological operation of market research are largely determined by the inevitabilities of the market. Subsequently

market research was dealt with in three sections--foreign trade with socialist, capitalist and developing countries.

Discussed with regard to market research in foreign trade with the socialist countries were especially its connections with the various processes of socialist economic integration as well as problems involved in data compilation and exchange among the countries concerned.

Several speakers, such as Professors Golubkov (USSR) and Nikl (CSSR), held that knowledge of the demand in the CEMA member countries is turning into an objective necessity for the further development of integration within the scope of CEMA, because all measures serve to meet the demand in the member countries.

At the same time Professor Szabo (People's Republic of Hungary) stressed that the study of prices and other marketing conditions is important, especially to realize the results of coordinated integration projects. Nor should we forget that capitalist competition is increasing on the markets of the socialist countries also, and that these therefore require thorough study (proposed by Dr Stephani, GDR).

Interesting results of analyses were presented by Professor Faude (GDR) who concluded from structural appraisals of the foreign trade of the CEMA member countries that qualitative aspects will have to predominate in future market research. To be emphasized, in other words, is their contribution to the accomplishment of top achievements in the production and export structure, greater concentration in the export assortment and the removal of inefficient parallel productions among the CEMA member countries.

In view of the fact that the compilation of informative data is the decisive foundation of market research, the discussion devoted a great deal of attention to the issue of market information. Szabo and Nikl especially called for the greater utilization of the results of domestic market research in the socialist countries for the purposes of foreign market research; in other words assessments of the demand should be exchanged between the interested partners, possibly for a fee. Nikl also advocated the utilization of CEMA organs for the exchange of information.

At this time some reservations still persist with regard to the exchange of market research information among the CEMA countries. Stuerzer (GDR) therefore demonstrated that the use of available sources of information in the socialist countries (plans, statistics, technical publications, and so on) may yield relatively accurate assessments of demand and sales potential within the medium term. On the other hand, a problem is presented by longer-range estimates which are increasingly needed for the deepening of integration. The most promising method is each country's own efforts at forecasts on the basis of a coordinated methodology and the summation of the results as well as increased cooperation in the assessment of the development of demand and markets.

The discussion on market research with regard to capitalist countries included a wide range of study tasks. The aim at all times is the achievement of a contribution to the improvement of the efficiency of foreign trade by means of thorough market research.

Professor Levshin (USSR) and Dr Nistorescu (Socialist Republic of Romania), in particular, emphasized that market research must thoroughly investigate general trends on international capitalist goods markets in order to recognize general market requirements resulting from scientific-technological advances, monopolization, foreign exchange and price trends, and other factors. Furthermore it must analyze the actual market situation in the various countries. In this context it was pointed out that a great deal of attention needs to be devoted to the efficacy of the capitalist competition. Studies of the big corporations are vitally important, because these firms are the socialist countries main competitors on most markets and in most industries. Rast (GDR) stressed the necessity for studying the big corporations also from the aspect of their being potential customers and cooperation partners.

As the efficiency of foreign trade relations largely depends on the prices to be earned or paid for exports and imports, and because the forecasts of price trends also represent an important basis for the planning of foreign trade, the need for price research was especially emphasized. Dr Erode (GDR) surveyed the new period of world market trends, which began in the early 1970's and resulted in a far higher level of prices for all important raw materials, greater price dynamism and fundamentally changed price ratios between important groups of goods.

It is impossible nowadays to separate price trends from the development of foreign exchange rates. That is why the influence of monetary factors on price trends was also dealt with. Professor Wenger (GDR) was particularly concerned with this issue. He pointed out that we must expect the rate of inflation to continue high in the 1980's, though there will be some variations and, therefore, the price risk will persist (in other words the possibility of devaluation of foreign exchange earnings subject to payment delays). Also expected to continue is the strong influence of fluctuating foreign exchange rates on capitalist world market prices. Accordingly the task of market research will be to maintain steady observation of all influences on the level of capitalist world market prices and arrive at the appropriate conclusions for the concrete organization of export and import prices by the socialist countries.

Market and price research on the capitalist markets must be considered from long-term as well as short-term aspects. Long-range market estimates are required especially to support the market strategies in socialist foreign trade, while short-term studies serve the annual planning and preparation of business transactions. Trade cycle research was described in the discussion as a particularly difficult though eminently necessary task. It must analyze short-term cyclical processes on capitalist markets and provide assessments of their probable trends. Dr Wunderlich (GDR) dealt with this issue in particular and showed that both cyclical (for example investments) and noncyclical factors (for instance scientific-technological advances) tend to affect business. At the same time he called attention to a system of indices with the help of which the respective cyclical situation may be characterized or demonstrated.

However important it is for market research to point out the qualitative aspects of all the factors influencing the efficacy of foreign trade from the aspects of markets, it is equally important to quantify the development of market categories in order to arrive at conclusions about the concrete sales strategy and operational-

tactical marketing. That is why some of the speakers in the discussion dealt in detail with the possibilities of quantitative forecasts of market and price trends by the use of mathematical-statistical procedures. Dr Polyakov (USSR) pointed out that the achievement of the greatest possible accuracy of this information presumes a system of methods. This includes various complicated procedures which can be managed only by the use of electronic data processing. At the same time, though, it is necessary to couple economic-mathematical models with expert estimates, because not even quantifying methods can forego subjective assessments and experiences. The USSR boasts a wealth of experiences in the field of forecasts of market and price trends for raw materials. Wagenbreth (GDR) presented a result which had made it possible by way of a regression analysis to demonstrate the main factors influencing the trend of prices for machine construction products.

As regards market research in foreign trade with developing countries, the discussion dealt with three groups of problems. The first topic was the task of market research in the preparation of the export of plant. Here the special challenge to market research is represented by the sheer complexity of the studies, an aspect mentioned also in the lecture at the plenary meeting. At the same time, as Drs Zopf and Schleife (GDR) explained, it is necessary to take into account the different conditions in the various countries and even within a single country (for instance between various regions and industries).

The complexity of market research makes possible and necessary its close links with the other sub-processes of complex marketing--especially advice to the user, customer service and commercial activity. Dr Bienieck (GDR) described the reciprocal links here.

The attendants also discussed the possibility of using the national development plans of the developing countries as a source of information for market research. While basically approving this possibility, Dr Halpap (GDR) pointed out the sharp differences between these planning instruments, consonant with the actual situation in the various countries.

The second study group of the conference dealt with the organization of consumer and market research in GDR combines and foreign trade enterprises as well as the inclusion of the results in management and planning processes. Particularly welcome is the fact that more than half the members of the study group were senior cadres or scientific personnel from the market research units of combines and foreign trade enterprises. Represented were the following industries: Machine tool construction, printing machine construction, farm machine construction, data processing equipment, electrical engineering, scientific device construction, heavy machine construction, chemicals and various consumer goods sectors.

The discussion concentrated on the following key issues:

1. The incorporation of appropriate results of consumer and market research on foreign trade in the management and planning process of combines and foreign trade enterprises.
2. The organization of consumer and market research in combines and foreign trade enterprises--especially from the aspects of the productive division of labor and the evolution of various types of socialist cooperation.

As regards the first key issue it was shown that now and in future long-range conceptual efforts for the development of optimum export patterns are a requirement of skilled management in the field of foreign trade. Needed for this is long-range advance knowledge, both in the field of science and technology and in that of economics.

Drs Ebersbach, Hoffmann and Neumann (GDR) in particular explained the tasks involved here for market research. The audience was specially interested in learning that the printing industry is working on long-range product and export strategies, some of which range up to the year 2000. Indispensable here is knowledge of long-term trends in the scientific-technological field and also of the trends of user needs and the receptivity of foreign markets. Long-range market research is able to demonstrate results with regard to the last named subjects of study. Dr Stegemann emphasized that the results of market research are an indispensable prerequisite for the preparation of appropriate market introduction conceptions.

Professor Vasilev (People's Republic of Bulgaria) informed the group that, in answer to a poll conducted in Bulgaria, 150 specialists from 32 foreign trade organizations affirmed the following: The efficiency of Bulgaria's foreign trade could be raised by at least 1 percent per annum, provided market research were perfected in the system of the foreign trade enterprises, the industrial ministries and the industrial units which handle import and export transactions.

As regards the second key issue, Dr Ehrlich (GDR) began the session by presenting the following research results:

- a) Regardless of the subordination of the foreign trade enterprise, it continues to carry a specific responsibility in the field of market research. This follows for one from its status as an organ of circulation, for the other from its specific information basis which is directly linked with the subordination of the external sales and purchasing organs on foreign markets to the general director of the foreign trade enterprise. This specific responsibility of the foreign trade enterprise must definitely be taken into account in the search for criteria for the division of labor between production enterprises and foreign enterprises in the field of market research.
- b) We have learned from practical investigations that the following criterion of the division of labor represents a useful orientation for practical market research: Combine enterprises/export suppliers in their capacity as producers should bear the main responsibility for technical-economic market research.

That includes:

-- Customer demand research, especially the analysis and forecast of the influence of scientific-technological progress on the development of customer demand and the basic consequences arising therefrom for the customer structure in foreign trade;

-- The study of user needs or consumer habits abroad in connection with proposed new products (taking international trends into account);

-- The study of the ratio of demand for new items and replacement with regard to certain products, especially in view of the influence of scientific-technological progress;

-- The study of costs and results with regard to new products, especially with the aid of technical-economic product comparisons at international level and taking into account international price trends.

Foreign trade enterprises should bear the main responsibility for trade-commercial research. That includes the following studies:

-- Influence of the trade regime of the GDR's trading partners on the receptivity of markets for GDR products;

-- Influence of the competition on the GDR's export opportunities;

-- Influence of quality, use value features, customer service, price and various other commercial aspects on the marketability of the products.

The discussion confirmed this orientation as useful in business practice.

Dr Bayer, O. Harke and Dr Auerswald (GDR) pointed out in this connection that it will be necessary by close cooperation between theory and practice to achieve the gradually more precise definition and wider practical testing of this orientation. In the course of the discussion the relationship between "coordinating function" and "productive function" of the market research departments in combines and foreign trade enterprises received a great deal of attention. Among the speakers were Dr Auerswald, Dr Busse, O. Harke, Dr Neumann (GDR).

All agreed that the further improvement of conceptual work in combines and foreign trade enterprises calls for the discharge of both functions by the market research departments. However, an objective prerequisite is the recruitment of more personnel and more funding, whether in combines or foreign trade enterprises, so that genuine partnership relations may be developed. The discussion showed that considerable differences exist in the various industries with regard to the powers and capacities of market research departments.

Busse, for example, reported considerable powers and good results as regards the department in the Buna combine. Similarly satisfactory results were recorded in the Farm Machine Combine, Robotron Combine and SKET Magdeburg Combine. In the combines of machine tool construction, on the other hand, the market research capacities were insufficient to develop productive partnership relations with the market research department in the Machine Tool Export-Import foreign trade enterprise.

Dr Koeppen (GDR) spoke about the experiences of the Heim-Electric Export-Import /domestic electrical appliances/ foreign trade enterprise with regard to the conclusion and implementation of cooperation agreements between the market research unit in the foreign trade enterprise and the corresponding units in the various combines. Such cooperation relations are useful for facilitating the work of management in handling cooperation between combines and foreign trade enterprises in

the field of market research. Success is particularly likely when there are clear criteria of the division of labor and the definition of work assignments.

The majority of speakers emphasized that the process of combine definition under way in the GDR offers favorable prerequisites for strengthening socialist cooperation in the field of market research. Tried and tested types of such cooperation are market handling groups or temporary study groups for the joint handling of a specific research topic. Socialist cooperation in the field of joint data collection for market research has already developed in the field. At the same time some speakers warned against overemphasis of temporary study groups.

Skilled market research represents a tremendous challenge to the training of the market research cadres in combines and foreign trade enterprises. The speakers agreed that such cadres must have sound knowledge of Marxist dialectics, political economics and methodology. Consequently there was a call for steadily deepening knowledge and the passing on of experiences.

Professor Brendel, director of the foreign trade section, concluded the session by summarizing the most pertinent conference results and underlined the lines of research which will have special importance for the ongoing improvement of market research. These include:

1. The study of factors initiating future processes on the markets. In other words market research must not be exclusively oriented to current market processes, because this may lead to wrong conclusions regarding the choice of future export patterns, new and further developments and the development of efficiency. Furthermore there may be a danger of preserving arrears in science and technologies as well as obsolete foreign trade patterns.
2. The intensification of market research with respect to socialist countries. That means:
 - A greater contribution to the preparation and implementation of such integration measures as help the resolution of the complicated problems relating to resources, patterns and efficiency;
 - Discovery of the top international standards (scientific-technological advances, productivity, costs) by which to judge the measure of economic cooperation;
 - Increased import market research to develop more potential integration and thereby ease the tensions in relations with the non-socialist economic area.
3. Greater emphasis on theoretical work on the status of the market in the process of socialist economic integration.

Proceeding from the analysis of some qualitative changes in the reciprocal exchange of goods between the socialist countries, the speaker drew the conclusion that we should not speak of a "straight" exchange of goods occurring on the market and an exchange resulting from "types of integration," which occurs in part outside the market. This was justified by the argument that all goods are a

unity of value and use value; that goods produced by the division of labor also cross national borders and change ownership; that the value for these goods also is not determined by the cost of production but of reproduction, and that in socialism also the market provides the conclusion of the planned appreciation of socially expended labor. In view of the fact that market processes will continue to be highly significant for the effective realization of results from integration measures, consumer and market research is tremendously important for preparation and realization.

In conclusion the speaker dealt with the socio-economic related differences in consumer and market research with respect to trade with socialist and non-socialist countries. He suggested that it will be necessary to devote greater attention to the reciprocal relations, connections and repercussions arising from the cooperation of the CEMA member countries and their relations to capitalist industrial countries and developing countries.

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CSO: 2300/298

BULGARIA

COMMENT ON WASTE, CORRUPTION IN AGRARIAN ECONOMY

Sofia KOOPERATIVNO SELO in Bulgarian 2 Jul 81 p 1

[Article by Aleksandur Aleksandrov: "Determining the Cost of Our Efforts"]

[Text] Socialist ownership is the foundation on which we are building the all-round progress of the people and the state. It is from it that we draw the interest used for our personal material well-being. Our attitude toward it, in turn, is the measure of the value we assign to personal and collective efforts and the materials we produce.

We have learned how to produce more and more. In the case of the countryside, of agriculture, we justifiably say that it is already providing food for 1.5 Bulgarias and will feed the equivalent of two Bulgarias in the near future. However, the moment we speak of the protection of socialist property, no one would dare claim that everything is going smoothly in this direction. Let us recall and admit that in the first years of the building of socialism we had a truly praiseworthy attitude toward public property. We guarded it closely. After we succeeded, the mentality of the rich beggar took over: there is plenty of everything, what if someone has loaded a cart with corn or has picked a basketful of cherries or grapes, taken a bale of hay, left a machine in the field or spent several hundred or thousand leva on guests whose number was ten times less than the sponsors of the celebration. Let us pursue this line of thinking. What if hundreds of sheep or several dozen cows have died because of poor feeding and care; what if someone is using as his private farm 10 or 20 decares of land more than he is allowed?

Let us follow the control organs along fields, gardens and farmyards. Now, when many crops are being harvested, we shall see a richer and...sadder picture. We shall see spoiled fodder, unmowed meadows, traces of wasted grain strewn from the fields to the reception centers and abandoned cases, plastic buckets, polyethylene fabrics or bags. We shall see the familiar "dear native pictures"--along the roads, one tree after another bending under the weight of the fruit and many passenger cars with uninvited pickers. Perhaps soon once again the glow of burning straw along the wheat fields will light up the darkness....

Last year, the Vinprom SK [Economic Combine] alone in Burgas gave the APK [Agroindustrial Complex] in its area 200,000 buckets, 70,000 of which were wrecked! These are 70,000 buckets at 2.5 leva each! In the first quarter of this year, in Varna Okrug, as many farm animals died as would be admissible for an entire year. In Nikolovo

Village (in the area of the Ruse APK), we are told by our correspondent in Ruse Okrug, the building of the buffalo-raising farm is so neglected that the roof and the walls may crumble on top of the animals at any time. Again in the Ruse APK not one of the 800 decares in clover has been mowed....

Recently, in the area of the APK in Kraymorie, Burgas Okrug, alone more than 800 cases of the seizure of cooperative land by private individuals were discovered. It is true that measures were taken but that was only after a few drops had turned into a flood. What kind of "exposure" is this? How can we speak of any merit on the part of managing and control organs who may discover that a brigade leader, in this case Mariya Ilieva, at the Kharmanli-Sever APK, credited cooperative farmers with 10,000 leva more than the worth of the actual work they had done in picking grapes and fruit?

It would be hardly possible to determine precisely the size of losses in agriculture resulting from waste, thefts and poor management. Whatever the case, in the final account, such losses affect us personally and are certainly equal to losses caused every year by hail and frost.

All of us could indicate many reasons for encroachments on socialist property and for its poor management and waste. However, no objective reason may be cited even when the scarcity of warehousing or shelter space is mentioned. The reason is that the losses which we could prevent within a single year would provide us with enough funds to build the necessary warehouses and the simple and inexpensive sheds.

We have three powerful weapons at our disposal with which to ensure the total protection of socialist ownership: public intolerance, strict control, and the law. However, public intolerance is being steadily made helpless by the mentality of acquisition, while control is eroded by the erroneous view shown by some that it constitutes a warning to the waste-makers, the thieves and the indifferent farmers who should settle their accounts on a "preventive" basis before investigations are started. The law, which has the final and, in many cases, the decisive say is being applied tolerantly by investigators, prosecutors and judges. A balance of the "crime-punishment" ratio in agriculture, regardless of the okrug, would indicate that indeed "nothing terrible happens" if public property is stolen or if negligence is displayed.

The time has come to seek merciless moral and material compensations and to prosecute through the courts anyone who has encroached on the public wealth or has caused its waste. Only in such a case shall we be fully entitled to speak of our socialist property.

5003
CSO: 2200/120

BULGARIA

BULGARIAN-MADE STARTERS, GENERATORS INSTALLED IN LADA CARS

Sofia OTECHESTVEN FRONT in Bulgarian 2 Jul 81 p 1

[Article by Atanas Atanasov, Komsomol secretary at the Dinamo Machine Building Plant in Sliven: "Integration Plant"]

[Excerpt] Bulgarian generators and starters, produced by the Dinamo Machine Building Plant in Sliven, equipped 3.5 million Lada cars operating throughout the world. The plant produces 65 percent of the generators and starters used in Soviet automotive manufacturing. "The enterprise can justifiably be described as the off-spring of Bulgarian-Soviet friendship and of economic integration between our countries.

In 10 years Dinamo rapidly increased its output. The VAZ plants were waiting for its output, for which reason new technology had to be mastered, highly-skilled cadres trained and the quality of the plant's output improved within an exceptionally short time. New shops were opened, highly productive machinery was procured and the people were trained to manufacture precise and complex items. In 1979 the plant produced its two millionth starter; in 1980 it produced its three millionth generator. The plant has already developed its own traditions and assumed its place in socialist automotive manufacturing.

Today the Dinamo plant is a modern and exceptionally promising enterprise totally related to Soviet machine building.

Ninety-eight percent of its output goes to the fraternal Soviet Union. The plant makes extensive use of new technologies. Its production variety is steadily expanding. Fraternal cooperation has been organized between the plant and its Soviet colleagues. Currently the value of its overall industrial output equals 35 million leva while the variety of goods produced has been increased several-fold.

Preference note:

The goods produced by the Dinamo plant come in three groups: the first is the production of generators and starters for Lada cars manufactured at the Tol'yatti plant. The second is microengines for computers; the third is a set of electric power drives for metal cutting machines. Recently the plant undertook the production of G-108 tractor generators, Perkins-type starters for the diesel engines plant in Varna, and so on. Within a single year the state saved 2.7 million leva in foreign currency from the production of microengines for computers. Over a two-year period the overall industrial output rose by 37.76 percent; within the same period labor productivity rose 24 percent.

5003

CSO: 2200/120

BRIEFS

NEW-MODEL TRUCK--Shumen, 1 July--Today the assembly conveyor belt of the Madara combine in Shumen completed its first Liaz-Madara model truck of the modified "Standard Series-100" type. The production of the truck was mastered with the help of Czechoslovak specialists. This is a new step in the fraternal integration of Bulgaria and Czechoslovakia in truck manufacturing. The new truck is distinguished by considerably changed basic units and assemblies. Its higher technical standard is consistent with contemporary truck models. It is a semi-trailor with a 25-ton freight capacity. It has a powerful 289 horsepower engine and the driver's cabin is comfortable and entirely redesigned. [Text]
[Sofia OTECHESTVEN FRONT in Bulgarian 2 Jul 81 p 1] 5003

CSO: 2200/120

MINISTER DISCUSSES ADVANTAGES OF COGENERATION

Prague HOSPODARSKE NOVINY in Czech 31 Jul 81 pp 8-9

[Article by Eng Vlastimil Ehrenberger, Candidate for Doctor of Science, CSSR Fuel and Energy Minister: "Contributions Proportionate to the Difficulty; a Well-Thought-Out Conception for the Development of Centralized Heat Supplies Has Become Essential"]

[Text] In the CSSR, just as in all economically advanced countries with similar climatic conditions and developed industry, most primary resources--about 40 percent--are consumed in the form of heat. The centralization of heat production at large facilities makes possible a saving of about 10 percent of total fuel consumption, in comparison with decentralized production. Cogeneration of heat and electricity in the heat-production cycle makes possible an additional saving of 15-20 percent, in comparison with the separate generation of these forms of energy in the usual facilities. From this it is clear that heat generation is again becoming one of the important components of broadly based and coordinated efforts aimed at reducing the consumption of fuels, especially heating oils, and at increasing the efficiency of energy utilization.

In the current situation, as well as over the long term, and in view of the limited supplies of primary resources, the political consequences of heat generation and its influence on the environment, this entire issue is becoming not only a matter of the efficient use of fuels, but also a necessity and, basically, the sole possibility for assuring a supply of heat for industry and the population.

Providing supplies of heat represents a serious problem from these viewpoints and ways are therefore being sought to provide the most efficient possible resolution. The advantages provided by the centralization of heat sources and, especially, of cogeneration facilities from both an energy-related and economic viewpoint have led to the intensive development of such facilities in a number of countries, both in extent and technical aspects.

Cogeneration facilities are the most extensive in the USSR, where more than 800 cities are supplied from cogeneration plants, and where the largest systems for providing centralized supplies of heat have been built. For instance, Moscow is supplied from 14 cogeneration plants with an installed electrical energy capacity of roughly 6,100

megawatts and from a number of heating plants. The overall heat output of the system is more than 24,000 megawatts; the length of the primary network stretches more than 3,500 kilometers. Its technical sophistication is characterized by the use of 250-megawatt cogeneration turbines. One-third of the output of all thermal power stations in the USSR comes from cogeneration sets, a fact which has a significant influence on the achievement of low specific fuel consumption in electricity generation. This technical sophistication is also characterized by work leading to the utilization of nuclear energy for providing heat supplies.

The advantages of planned management have also been utilized for the development of cogeneration in other socialist countries, and especially in Poland, Romania, and in the GDR. Centralized supplies of heat and cogeneration of heat and power is also developing in capitalist countries, where it is being met with stiff competition from other techniques. It is most widely used in Denmark, where only combined sources may be built, i.e., cogeneration plants or electric power plants with an additional heating capability. The energy crisis has sharply strengthened interest in cogeneration in recent years. Existing systems for supplying large cities and entire agglomerations are, therefore, being developed further and new ones are being built. Recent examples include Helsinki, Stockholm, Mannheim, Heidelberg, Ruhr-Mitte, etc. On the other hand, minicogeneration plants are also being constructed, outfitted with internal combustion engines, and supply a selected area with heat and electricity (unit cogeneration stations or total energy systems). This indicates that all possibilities for the utilization of the combined production of heat and electricity are currently being studied and implemented throughout the world.

Overall, a tendency is currently predominant to create large economic systems, at the same time that even reconstructed condensation power plants are being used for the delivery of heat. In the future, a shift to the use of nuclear energy is being heavily counted upon. In France, for instance, all the nuclear facilities so far constructed have the built in capacity to use 10 percent of their steam output for the delivery of heat. The first nuclear power plant providing a large amount of heat is the Gosgen plant in Switzerland: it supplies a papermaking factory, located 1.7 kilometers away, with steam (80 tons per hour). Plans also exist for the transfer of heat output equalling 2,000 megawatts from a nuclear power plant to Stockholm, a distance of about 135 kilometers.

Attention is also being devoted to the utilization of wastes as fuel, under which systems incinerators as a rule will function as sources of heat for the heating network. There are also thoughts of linking nontraditional resources into the cogeneration system. There are great expectations as well for systems designed with a view to process regulation, and which are therefore outfitted with automated systems for the direct control of the recipient facilities or the transmitting stations, which will have great impact on the conservation of thermal energy.

We Have Lacked the Requisite Pace

Cogeneration in the CSSR, the beginnings of which go back to 1928, has a long tradition, and has been at the head of worldwide technical development during certain periods and within certain sectors. For its time, the Brno system was large and technologically advanced. The Holesovicka cogeneration station in Prague occupied first place worldwide with its boiler pressure of 13.0 megapascals. At the Usti nad Labem consumer interchange stations, successful use was made of power limiters which made the operation of the whole system more efficient.

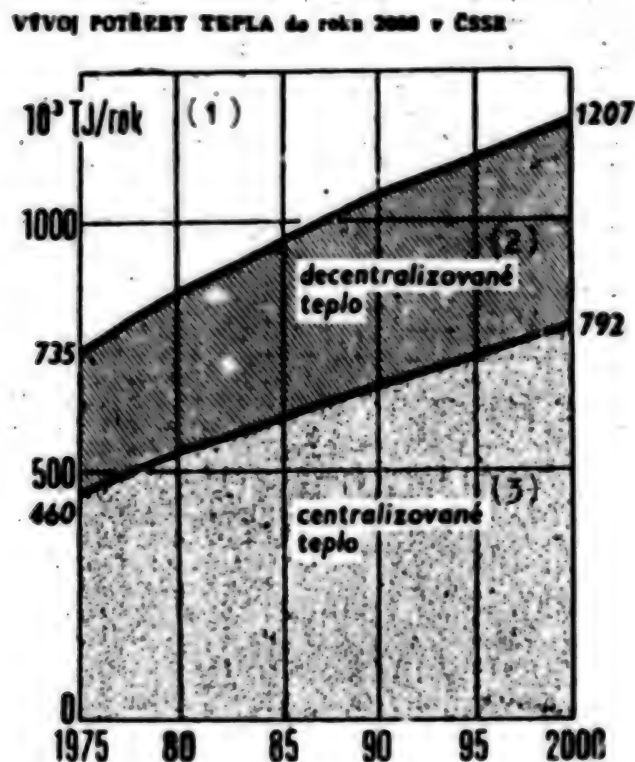
The real boom in the centralized supplying of heat began in this country, however, after World War II. A number of systems were built to supply entire agglomerations. An example of these is the system in the Ostrava-Karvinska region, which is the largest in Europe outside the USSR. Likewise, on the research and development side, we have developed a number of progressive pieces of equipment and technical components. Czechoslovak cogeneration turbines have even been successfully used abroad. As early as 33 years ago we were experimenting with the channelless design of heating systems; regulators were designed for consumer interchange stations and for long-distance measurement and indication of the condition of a heating network. More than 20 years ago we developed an original apartment thermostat, but we are still waiting for it to be introduced into apartments. Recently, computational analogs of thermal networks have been developed, and the first cogeneration plant dispatcher constructed with the use of collective remote control.

Nevertheless, the spread of cogeneration, utilizing for the most part our low-quality coal, was significantly limited in the period of optimistic waiting for sufficient liquid and gaseous fuels. This caused the existing cogeneration systems not to develop at the requisite pace, and a failure to assure the renewal of vanishing resources. At the same time, possibilities for the construction of new, centralized, that is, heating and power systems were far from fully utilized and the construction of smaller sources was permitted, especially of unit boilers for enriched fuels. Nor was provision made for the production of the necessary components and equipment for the centralized supplying of heat, including regulational and measuring equipment.

A Number of Advantages

To date, the idea of the general usefulness of cogeneration and of deliveries of heat overall has been very difficult to incorporate into our planning process, despite the fact that the provision of supplies of heat is an essential condition of life for the population. An interruption in heat deliveries always results in significant dissatisfaction, economic damage to industry and in its totality thereby also influences the political sentiments of a given area. At the same time, cogeneration systems are always of a local character, and there is no significant possibility of assistance for them from territorially distant sources. Systems for the centralized supply of heat are not linked in a countrywide or international system such as exist for electricity and gas. With this in mind, we must reevaluate very rapidly our approach to cogeneration and provide it with a proper conceptual focus. Furthermore, we may no longer permit a situation under which questions of heat supplies are resolved as regional questions. The necessity for this stems not only from our fuel and energy situation, but also from ecological effects and other causes. In view of the significance and seriousness of providing a supply of heat, the choice of an overall conception and technical solution is a task of fundamental significance for the entire national economy. It is primarily a matter of the proper management of the line between centralized and decentralized supply. The attractions of the centralized method include greater equipment efficiency, i.e., lower consumption of fuel and the possibility of utilizing lower quality fuels, the suppression of the unfavorable influences of heat sources on the environment and labor force conservation.

Figure 1. Development of Heat Needs in the CSSR, to the Year 2000
(in thousands of thermal units per year)



Key:

1. thousands of thermal units per year
2. decentralized heat
3. centralized heat

The possibility for reducing the consumption of heating oils and replacing them with domestic coal is of fundamental significance given the new fuel-supply situation. It means in essence that we must once again return, in the area of heat generation as well, to fuels available to us, above all to lesser quality coal. The overall tautness of the fuel balance, however, calls attention to another attraction of centralized supply, i.e., that after the construction of large systems, the possibility remains of shifting to nuclear energy to supply heat. Centralized supply, however, places more difficult demands on careful planning preparation and on overall conceptual and technological resolutions.

If the attainable advantages of centralization in supplying heat are to be fully utilized, a cogeneration system must be comprehended as a component which in a fundamental way contributes to the formation of the whole area and its organization from the viewpoint of urbanization and the location of industry. It will be necessary to change current practice, under which energy generation has been placed before the task of supplying a given locality with heat, sometimes under very difficult conditions. At the same time, measures on the side of heat consumption may not only create favorable conditions for the implementation of centralized supplies, but also

contribute an important societywide effect. For these reasons, the provision of a supply of heat and an appropriate technological solution must never be conceived as a passive, but as an active element in the planned arrangement of the appropriate localities and of entire areas.

Resources in centralized systems are more efficiently utilized in relation to their output than resources used in decentralized systems. This difference is sufficient to more than compensate for heat losses which arise in the heat networks of centralized systems. In addition, the qualifications of service personnel have an important influence. It has been shown, for instance, that poor service of apartment house boilers can lead to an increase of about 20 percent in yearly fuel consumption, not even counting the other losses which arise in this type of equipment. Centralized supply not only requires quality service personnel, but the relevant equipment must be outfitted to a much greater degree with measurement and regulational technology. Centralization also has a favorable effect in that it reduces the number of employees required for service and equipment maintenance, because the number of boilers and other equipment declines with an increase in their size.

Centralization also has a favorable effect on the cleanliness of the environment, which is without doubt an important issue today. Centralized heat sources are always situated away from centers of consumption and are equipped with higher smokestacks and scrubbing apparatus for flue gases. During the cogeneration of electricity and heat there is a significantly reduced quantity of emissions. In comparison with supplying the same amount of heat from decentralized facilities and electricity from condensational power plants burning the same fuel, the quantity of emissions is reduced by 20 to 50 percent at centralized facilities. Cogeneration facilities set up for the long-distance transmission of heat are located still farther from cities, so that there is practically no effect on pollution levels above the city being supplied. A fine example of this is the radical improvement in air quality, characterized by reduced concentrations of sulphur dioxide (SO_2) in various cities which was achieved by the development of supply through cogeneration. Centralization and, in particular, supply through cogeneration also significantly reduces the difficulties caused by the distribution of fuels to smaller, decentralized facilities, and the removal of ashes.

In recent years there has been a yearly decline in the heat value of our brown energy coal of roughly 1 percent, which is the result of the composition of the extractable fuels. This reality is forcing the modification and rebuilding of electric power plant boilers and other equipment. This is creating the possibility of also utilizing this reconstruction to modify the power plants for the generation of heat. This trend is favorable not only from the viewpoint of fuels, but also for conserving investment resources and eliminating difficulties in finding new, appropriate building sites for energy facilities. It is possible to say that all power plants, to the extent that they are appropriate from a technical viewpoint, will also be utilized gradually to varying extents as sources of heat. This is causing the former sharp distinction between heating plants and condensational power plants to blur.

Advantages of Regional Systems

Because electric power plants are customarily far from the largest cities, it is necessary to build long-distance thermal feeder lines to transmit the heat. This is the way that the more extensive parts of a system for the centralized supplying of

heat are put in place. And clearly, additional localities within the area gradually hook up to these systems. In regional systems, the importance of coordination of the intentions and requests for heat individual consumers becomes most important. This coordinating activity must be based on societywide viewpoints, must respect the intentions and the requests of sectorial plans, the ecological and raw-material potential of the surrounding territory and the most efficient possible technical resolution.

Regional systems have important advantages but require the transmission of heat over greater distances and the construction of long-distance thermal feeder lines. This places great importance on the task of optimally resolving the design of such a system in terms of the utilization of all appropriate existing resources, including an efficient configuration for the transmission and distribution of heat. Heat transmission over longer distances and the construction of thermal feeder lines is, of course, a costly affair. A comparison with another solution, i.e., the construction of local cogeneration facilities, shows, however, that long-distance heat transmission is more cost effective. The construction of new facilities with all of the necessary equipment is, you see, always more costly than bringing the heat to a specific location through a long-distance feeder from an existing facility, even if it has been rebuilt.

The appearance of large, regional systems for the centralized supplying of heat must also be comprehended as an essential step toward the utilization of nuclear facilities for heat deliveries. Nuclear sources, whether they be electric power stations or heating plants, have a large thermal output, and to make use of it, it is necessary to have a sufficiently large and prepared system composed of facilities operated with fossil fuels which can fulfill the role of peak-load generators.

But this trend toward the development of large regional systems in no way means the end of small, isolated systems, which still must be constructed and used in those areas where the conditions for large systems do not exist. Small systems are a typical case in which direct sectorial cooperation could and should be implemented. A good example would be the delivery of heat from a factory power plant or heating plant to neighboring factories, settlements and towns. For this reason, it is not only proper fully to support an interest by factories to use their heating plants for deliveries of heat to the immediate area, but it is even necessary to insist on this action from them, as is done abroad.

Principles of a Long-Term Policy

A solution to these issues, however, has so far foundered on organizational fragmentation and an ambiguous designation of the responsibilities of organizations sharing in the provision of a supply of heat. As a result, construction has so far been limited to a large extent to decentralized, provisional and replacement sources of heat, for the most part designed for enriched fuels. So far there has not been a pooling of the investment resources of various sectors for economically efficient centralized supply. This in turn has made it impossible to utilize to a larger degree the advantages of a coordinated resolution of the heat supply problem, the cogeneration of heat and electricity, or to achieve significant savings of fuel or employees, or make improvements in the environment.

For this reason the CSSR Government, in Resolution No 130, 31 May 1979, approved the principles of a long-range energy policy in the area of the construction and operation of equipment used to supply the national economy and the population with heat. The following aspects of this resolution bear emphasis:

--Beginning in 1981, the fuel and energy sector will methodologically and conceptually administer the development of the centralized supply of heat in the CSSR.

--In individual localities, the Federal Ministry of Fuel and Energy [FMPE], and organizations authorized by the FMPE, will issue binding guidelines for the purposeful centralization of heat sources without regard to the sectorial membership of operators and consumers.

--The development of centralized heat supplies may be realized only on the basis of specifically targeted energy projects and thermification studies which will periodically be brought up to date and made more precise. The final approval of the thermification studies and the appropriate parts of the specifically targeted energy projects rests with the FMPE.

--National committees organize the pooled capital investment in equipment for the centralized supplying of heat in accordance with the approved targeted energy projects and thermification studies, in support of which the State Planning Commission will create the conditions in the state plan in terms of allocating investment resource and fuel constraints, as well as from the viewpoint of essential conditioning investments, all of course in accordance with the possibilities of the national economy.

--The FMPE and its authorized organizations will provide methodological and technical assistance to the national committees during the preparation for the construction of equipment for centralized heat supplies.

--The administration, operation, and development of cogeneration equipment outside the fuel and energy sector will be assured by the current administrators themselves; the final position regarding the size of installed electrical capacity and the use of facilities for supplying additional consumers in the region with heat in accordance with the electrification law will be given by the FMPE or one of its authorized organizations.

--The FMPE and its authorized organizations will see to the administration, operation and development of equipment for the centralized supplying of heat, which belongs under their authority, and in new locations to an extent determined by the state plan.

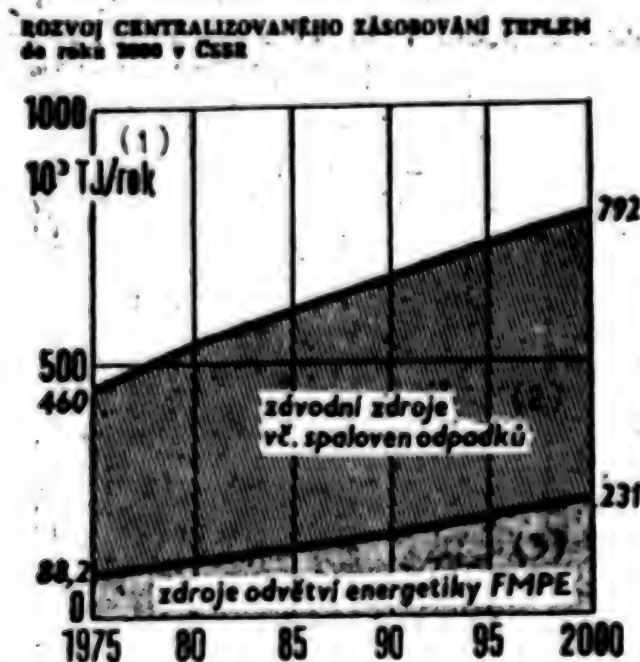
To aid in the implementation of these principles, the CSSR Government approved, in its Resolution No 384, 27 November 1980, "Guidelines for the Methodological and Conceptual Management of the Development of Centralized Heat Supplies," in which a precise approach is established for assuring coordinated development. At the same time, a CSSR Government Commission for resolution of the issues connected with the smooth supplying of the national economy with fuels and energy assigned the FMPE the task of preparing a draft law concerning the provision of heat, and presenting it for discussion prior to the end of 1982. This task is already being intensively worked on.

In addition, the CSSR Government assigned the FMPE the function of accounting manager for thermal energy. This function will likewise be discharged without regard to sectorial influence and will become an important element of consumption rationalization and in the use of thermal energy and the primary fuel base generally. It will also interact with the methodological and conceptual management of the development of the centralized providing of heat in the CSSR.

New Resolutions Are Being Sought

The formulation of a draft law concerning the provision of heat has particular significance, because in this area there does not exist a comprehensive legal modification similar to the legal modification in the area of the production, distribution and consumption of electricity (Law No 78/1957, Laws of the CSSR), or in the area of the production, distribution and utilization of heating gases (Law No 68/1960, Laws of the CSSR). Only with the enactment of this law will the entire area of the provision of heat reach the same level as electricity and gas. The objective of the modification

Figure 2. Development of Centralized Supplying of Heat in the CSSR to the Year 2000



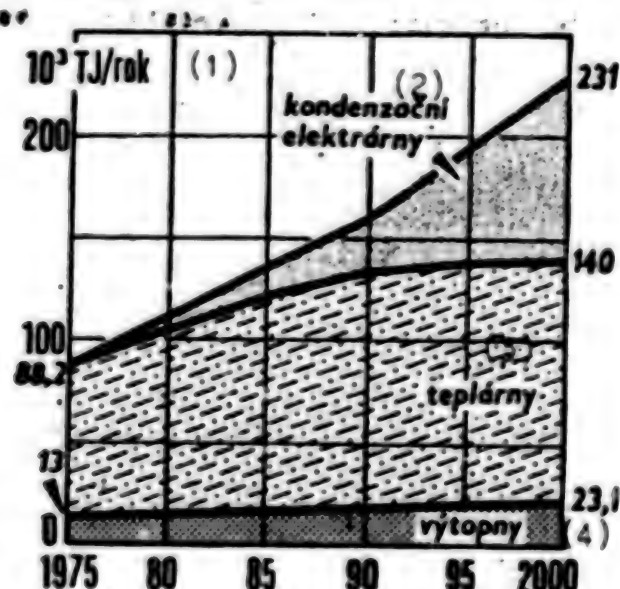
Key:

1. thousands of thermal units per year
2. factory sources, including incinerators
3. Facilities of the energy branch of the FMPE

will be the satisfaction of planned heat requirements for heating, ventilating, cooling, air conditioning, the preparation of thermal service waters, and for technological processes in which heat is directly used. The goal, then, will be the achievement of maximum conservation both in the area of sources and transmission of heat, and in the area of its consumption and rationalization. The construction and hookup of uneconomical heat consumers will not be permitted.

Figure 3. Development Trend of Centralized Heat Sources in the Energy Branch of the FMPE

**TREND ROZVOJE CENTRALIZOVANÝCH ZDROJŮ TEPLA OD-
VĚTVÍ ENERGETIKY FEDERÁLNÍHO MINISTERSTVA PALIV
A ENERGETIKY**



Key:

1. thousands of thermal units per year
2. condensational electric power plants
3. heat and power plants
4. heating plants

The formulation and promulgation of a law requires, however, a longer period of time. Therefore, until this time it is necessary to see to the consistent fulfillment of the guidelines for the methodological and conceptual management of the development of the centralized provision of heat approved by CSSR Government Resolution No 384/1980. Within the framework of the fulfillment of these objectives, a set of binding technical and economic indicators has already been issued for the centralized supplying of heat, a methodology for accounting for heat requirements and their coverage in individual systems, a technique for formulating developmental thermification studies and guidelines for a rational operational system, and for maintenance of the heat-generation facilities and the thermal network. Moreover, a design has been submitted to the Presidium of the CSSR Government for modifications of the equipment for the centralized supplying of heat; the Government Presidium approved this with Resolution No 191, 4 September 1980.

A basic component of the system for the methodological and conceptual management of the centralized supplying of heat in the CSSR are the regional concern centers of Czech Energy Plants and Slovak Energy Enterprises. In conjunction with the appropriate divisions at the general directorates and specialized division at the FMPE,

a unified line of conceptual and methodological management is formed without regard to the sectorial influence of operators and investors. The implementation of all these measures opens the possibility for really solving the heat-supply problem at a new organizational and technological level. This follows also from the necessity for seeking new, progressive solutions which are governed by the following conditions:

--fuel consumption for heat generation exerts a major influence on primary energy-resource accounts;

--the current and prospective primary energy-resource balance rules out the development of a heat-supply network on the basis of enriched fuels, aside from the fact that there will also be a shortage of the better solid fuel mixtures;

--ecological considerations dictate that heat-generation facilities burning lower grade coal be located at a distance from consumption centers;

--a need has become evident for supplying larger cities from multiple sources, with all the units linked into a common heat and power system with the parallel operation of facilities controlled from a heat- and power dispatching center;

--future construction of major heat- and power-generation facilities, both classical and, especially, nuclear, will require large, integrated heat- and power-generation systems.

An Uncompromisingly Outlined Direction

The FMPE, in its long-range program for the development of the centralized supplying of heat, respects the conditions of our fuel and energy base and the necessity for resolving heat sources in such a way as to realize the greatest possible fuel savings. We are, therefore, giving absolute priority to the cogeneration of heat and electricity, which means that the heating-plant method of assuring heat supplies will gradually become the exception, over the long term.

Along this line, we will continue to insist uncompromisingly on the proper design of heat sources throughout the national economy. At the same time, we will construct classical heat and power stations and, in some cases, heating plants, only in those locations where it is not possible to assure a supply of heat from nearby condensational power plants. During the Seventh Five-Year Plan, we want to begin the construction of heat sources for a part of Prague (Malesice III, Treboradice III), for Ostrava (Trebovice IV), for Usti nad Labem (Trmice IV), for Brno (Cerveny Mlyn), for Ceske Budejovice (Vrato), for Prerov (boiler 4), for Martin (IV), for Kosice (hot-water boiler 4), and in addition, to begin the construction of heat and power plants for Tabor, Gottwaldov, and Zvolen toward the end of 1985 and the beginning of 1986.

The conversion of condensational electric power plants to heat and power operations has become a fundamental conceptual direction in the assurance of centralized heat supplies. This direction presumes that the basic heat will be provided from the system of electric power plants, initially coal-fired and subsequently nuclear. Transit heat pipelines capable of transmitting thermal energy over great distances to regional thermification systems will constitute the basic component. At the same time, priority will be given to those hot-water systems which are feasible. It will be necessary gradually to convert steam systems to hot water, or at least not expend their use.

This basic long-range direction follows from the conditions of our fuel and energy base, which is characterized by a lack of enriched and solid fuels appropriate for burning at large urban and industrial agglomerations.

An essential precondition of this design, however, is implementing the participation in this capital investment in the form of associations of those sectors requesting heat. This issue has been in the past and will continue in the Seventh Five-Year Plan to be the most problematical of all.

The conversion of condensational electric power plants to heat and power operation will apply most of all to older electric power plants, which are already not desirable from the viewpoint of the electrification system, and which have finished their useful life. Their equipment is fully depreciated from an economic viewpoint, but with renovation is suitable for further operation to produce heat. Conversion will be undertaken at newer electric power plants in those instances when it is economically favorable to use them for the above purpose.

The realization of this conversion program is designed to result in annual fuel savings by 1990-1995 of 1 million tons of standard fuel, about 50 percent of which will be enriched fuels which may then be used in other localities where it will be impossible to use any other type of fuel.

We are expecting to initiate conversion projects during the seventh and eighth five-year plans in the following areas: Melnik-Prague, Chvaletice-Kolin, Tisova-Sokolov, Komorany-Chomutov, Ledvice-Teplice, Opatovice-Pardubice, Porici II-Janske Lazne, Detmarovice-Havirov, Hodonin-Hodonin, Bohunice-Trnava, Novaky-Prievidza, Temelin Nuclear Power Plant-Ceske Budejovice, Tisova-Cheb, Prunerov-Chomutov, Pocerady-Louny, Mochovce nuclear power plant-Levice. Other possibilities are being studied.

The investment requirements of this program are imposing, but the payback periods are, on the average, favorable for these projects, averaging 3.6 years. At the same time, the investment intensiveness is fully comparable to that of the decentralized method of construction of generation facilities for heat, yet is more favorable. Likewise there arise needs for increased deliveries of piping materials for the long-distance heat pipelines and for water treatment plants. Along these lines, we must modify the supply capabilities and the product mix of our engineering industry. The consumption of metals is comparable to that required by other means for assuring a supply of heat, because demands decline for the construction of local generating facilities.

Figure 4. Production of Centralized Heat in Individual Sectors in 1985.
(draft of Seventh Five-Year Plan)

	(in thousands of thermal units per year)		
Total Heat Production	CSR	SSR	CSSR
	427.8	192.6	620.4
composed of:			
production from fuel in generation facilities	401.5	163.3	564.8

FMPE	130.2	34.9	165.1
Federal Ministry of Metallurgy and Heavy Engineering	62.4	27.4	89.8
Federal Ministry of Machine Building	26.9	13.3	40.2
Federal Ministry of Electric Power Enterprises	7.6	3.6	11.2
Federal Ministry of Transportation	6.2	1.4	7.6
Ministry of Industry - CSR	115.0	-	115.0
Ministry of Industry - SSR	-	61.6	61.6
Ministry of Building - CSR	13.9	-	13.9
Ministry of Building - SSR	-	5.5	5.5
Ministry of Agriculture and Food - CSR	34.2	-	34.2
Ministry of Agriculture and Food - SSR	-	13.6	13.6
Other (National Committees)	5.1	2.0	7.1
Secondary Energy Resources	25.1	21.8	46.9
Production from nuclear fuel	-	1.2	1.2
Production from other sources	1.2	6.3	7.5

During the 7th and 8th five-year plans we will make progress in the use of nuclear sources for supplies of heat, and nuclear generation should exert a significant influence on this area in the 9th and 10th five-year plans. We are dealing here with nuclear power plants with an offtake of heat and with nuclear heating plants which will be constructed in areas where it is not possible to provide for heat from

nearby classical or nuclear electric power plants. The era of utilization of the atom for providing supplies of heat has already begun with the construction of the thermal feeder line from Bohunice to Trnava, and will continue with the utilization of the nuclear power plants at Temelin and Mochovce. The first nuclear plant is planned for the Ostrava and Karvina region, with construction to begin in the Eighth Five-Year Plan.

A lack of appropriate fuels, the taut investment situation and, on the other hand, increasing demands for supplies of heat and ecological pressures are combining to make the supplying of heat one of the most complicated and demanding tasks confronting our energy industry at this time. In conjunction with nuclear energy, we are dealing with a complex of extraordinary tasks which place high demands on the managerial and organizational abilities of the FMPE. The fulfillment of this task requires, therefore, the efficient and purposeful cooperation of all sectors which are affected by these objectives.

Large demands will be placed on the producers of equipment for the centralized supplying of heat. They must be concerned not only with the assurance of the requisite deliveries and product mix, but also with improvements in the equipment and apparatus which is produced. Differences between needs and requirements for heat and the possibilities inherent in the fuel and capital investment accounts may be moderated only by a thoroughly thought out design, the most technically sophisticated implementation possible and the efficient management of operations. The mastery of the current difficult situation also requires intensive efforts in the areas of heat consumption, a reduction in demands for deliveries, reduced heat loss in buildings through improved construction and limitations on demands for heat for technical processes by improving them and rationalizing their management.

The proper measurement of heat consumption also has an important influence and can favorably influence attainable savings of heat and, therefore, fuel.

The development of centralized heat supplies, including the assurance of economical heat consumption throughout the national economy represents, in the aggregate, an unusually extensive and difficult task. The contributions which will stem from the implementation of the program for the development of centralized heat supplies for the national economy are, however, proportionate to the difficulty of the task. The above conception of this development has, therefore, become essential in view of the current and prospective fuel and energy situation of our country.

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CSO: 2400/289

PROSECUTORS TO GIVE GREATER ATTENTION TO ECONOMIC CRIMES

Violations by Plant Managers

East Berlin NEUE JUSTIZ in German Vol 35 No 2, Feb 81 pp 54-56

[Article by Dr Harri Harrland, deputy general prosecuting attorney of the GDR:
"Consistently Implementing the State Prosecutor's Control Over Adherence to the
Law"]

[Text] The approach to the Tenth SED Congress is characterized by the initiative and creativity shown by millions of working people in our country in the implementation of the policy decided by the Ninth SED Congress for the welfare of the people. This policy corresponds to the nature of our workers and farmers state which thereby guarantees its citizens a decent life: A life without exploitation and crises, where nobody fears for his job, where everyone is needed and enjoys satisfactory prospects.

This atmosphere of security and the creativity of the people calls for a high standard of socialist adherence to the law and justice. This humanistic achievement, an essential feature of socialism, must be nurtured and further expanded, because the greatest possible public confidence in the law, justice in all matters, whether major or minor, is the inevitable condition for the further organization of the developed socialist society.

Arising therefrom are, among others, higher demands on the state prosecutor's general control over adherence to the law, which has always been an important state guarantee of the uniform administration of justice in the socialist society. It will be necessary to increase its contribution to the development of socialist behavior and the realization of the rights and duties of the citizens.

Requirements for the Further Improvement of the Efficacy of Control

It is an important concern of the general control over adherence to the law also to encourage the socialist civic and legal consciousness of the citizens and help develop their appreciation of the fact that this is a significant task for all organs of the party, the state and the social organizations.

The more profoundly the leadership forces in particular in the state and economy manage to understand the nature of socialist law as the expression of the power of

the working class and the policies of its Marxist-Leninist party, the more persuasively and uncompromisingly will they champion its exact realization. The more clearly they comprehend the law as an instrument of our state for the enforcement of objective social inevitabilities, the more conscientiously and inflexibly will they guide their daily lives by its criteria.

In this context it is the task of the public prosecutors in their operations fully to respond to the greater challenges to the consolidation of state discipline in the 1980's. It is imperative in all offices to make the general control over adherence to the law a solid element in the public prosecutors work, and to ensure its growing social efficacy. Without a doubt control efforts have lately increased, especially legal educational work in the actual enterprises. However, we must not be complacent. Both from the aspect of the scale and the quality of the general control over adherence to the law wide differences in standards still persist between various districts and some kreises. That must not continue. Especially the public prosecutors in districts and kreises should increase their efforts to ensure that the legal responsibilities involved here are fully observed.

To show that we are able to cope with the great challenges of the 1980's we must keep in mind mainly two related issues: First the quality of our control measures, secondly their strict application in offensive conflict with all persisting types of the underestimation of the law.

As to quality, we will have to be more careful for our protests and other control acts to be politically well founded and legally accurate, strictly related to the matter in hand as well as clearly and comprehensibly worded. At times, for example, offenses against legal duties are not concretely enough described but kept too general or, occasionally, replaced altogether by general political agitation. Concreteness and legal accuracy, though, are the essential prerequisites for the addressee to arrive at the proper conclusions. Sometimes protests and suggestions still tend to be verbose and moralizing. That harms their efficacy. "Brevity is the soul of wit" is a basic rule quite apposite in this field also, a command of rationality, in other words it is common sense. To give an example: To demonstrate clear legal criteria it is quite unnecessary to cite every single pertinent legal provision.

In this context we will have to give greater weight to instruction and control as well as to further education.

Greater efforts are needed in order to actually enforce that which state prosecutorial control is meant to enforce, so to raise our efficacy that illegal situations are in fact corrected and more effectively prevented in the future. It is incompatible with the with the growing demands on adherence to the law that in some areas the same offenses are censured over and over again without any real change in the situation occurring. Here the public prosecutor must act far more resolutely and decisively.

Admittedly, there are already evident efforts to ensure that offenders are called to account either materially or by disciplinary proceedings, but generally they do not yet meet the requirements and possibilities. Just because of the specific educational effect more resolution will have to be displayed in this respect.

We will continue as per plan to strengthen and improve general control over adherence to the law mainly by way of criminal procedure. Untouched thereby is the legal obligation of the public prosecutor to follow up all indications of offenses, even if there is no connection with crimes. That holds true most particularly for the assurance and strict enforcement of the rights and duties of citizens.

To realize the meaning of socialism means to do everything possible for the welfare of the people. In this connection the party of the working class does not admit any doubt that the rise in the growth rate of the economic capacity beyond the hitherto customary extent is the key to the steady pursuit of the policy of the main task in the unity of economic and social policy.

As far as politico-ideological work is concerned, it is vital in all essential matters to specify the contribution of the public prosecutors offices to the smooth advance of the national economy and show how to organize it more effectively by the realization of the unity of criminal prosecution, general control over adherence to the law and publicity. The challenging economic targets not only call for the further development of creativity; they also require the strict observance of the law by all working people, especially managers, in order to prevent any waste of public property, to conserve and defend everything which has been earned. Here we must remember that, in the conditions of exceptional challenges to economic performance, demands on managers also grow insofar as they must resolutely orient their decisions and measures to total societal interests on the basis of the laws and other legal regulations. More than ever must we now call upon our managers to consciously observe legal regulations even when dealing with difficult problems.

Politico-Ideological Work for the Further Strengthening of Adherence to the Law

Even more resolutely, in particular, must we discover and prevent with even greater revolutionary intolerance any infringements which encourage crimes against socialist property and the economy. It is unacceptable for negligence to be tolerated even in cases of serious crimes against public property.

In order further to strengthen state and labor discipline we must resolutely proceed against infringements which are a reflection of mismanagement and sloppiness. Control over adherence to the law should help on the one hand to inspire politico-moral debates on the attitude to socialist property, on the other hand resolutely ensure that the property of the people is better defended from the management side, and that effective measures of reporting and supervision are enforced. It will certainly be necessary more severely to intervene in cases of illegal individual and collective selfish efforts which, by their very nature, reflect disregard of total societal interests.

Politico-ideological education must emphasize persuasive opposition to certain superficial "arguments." Some managers think, for example, that adherence to the law may involve disadvantages in the matter of materials acquisition, that--given the manpower situation--economic benefits must outrank the observance of legal regulations, or that the strict implementation of the laws hinders plan fulfillment. In the debate with such antisocial modes of thought we must not leave any doubt that our socialist society cannot allow anybody to resolve his problems against the interests and at the expense of society. Whenever at this time the economy, the

the main task, economic utility and adherence to the law are alleged to oppose one another, this is usually a sign of enterprise egotism and always implies a lack of total economic modes of thought. Actually there is no such opposition.² After all, involved here is adherence to not just any law but to our socialist law. This genuinely serves the united realization of socialist policies, not least our economic policy. That is why it is imperative consciously to handle general control over adherence to the law as an efficient resource in the struggle against those approaches to central issues, which are confined to enterprise or local help, and to help assure the observance of the interests of the nation and the people as a whole.

The creation of a general climate of intolerance to all infringements, administrative, safety and disciplinary offenses must continue to be a major concern of politico-ideological efforts for the consolidation of adherence to the law. In the economy this must be coupled with the consistent enforcement of the principle of the inviolability of socialist property.

On occasion, due to misunderstood tolerance, managers in the economy fail resolutely enough and without regard for the persons involved to penalize offenses against the law and against discipline. Some indeed consider it "hard line" to resolutely insist on disciplinary or material responsibility. However, let us make this perfectly clear: Socialist education is unthinkable without a general climate of intolerance to any behavior injurious to society. Whenever, for instance, it is not a matter of course for offenders to be held materially responsible as per the legal regulations for any damage caused to socialist property, such a climate will hardly flourish. Consistence in the application of legal remedies is indispensable for the further definition and victory of the socialist lifestyle.

Refuted by socialist practice is the "argument" that a resolute reaction to and punishment of offenses against the law and discipline is liable to encourage labor turnover. In the working class especially a genuine need for efficient smooth flowing production, for secure, uninterrupted and creative work, is steadily coming to the fore. "Precisely those enterprises where order, discipline and safety are highly valued are able to retain their work force."³ That is also a proper principle for the work of the public prosecutors.

Work and enterprise collectives whose projected output meets the great challenges of the 1980's are now turning more and more against obstructions and defects. This growing intolerance of offenses, of idleness and other infringements of work and state discipline, reflect a profoundly healthy and satisfactory climate which must be encouraged by fully responding to the management responsibilities for the enforcement of adherence to the law, to order and safety.

In order to strengthen the emphasis on the general control over adherence to the law it will be necessary to carry out appropriate subsequent checks. Of course such checks are not possible nor needed in all cases. However, where violations were serious--especially in cases where serious crimes against socialist property were made possible and even facilitated--a thorough subsequent check must certainly be carried out after some time has elapsed. This offers a field of operations especially to the departments for the control of adherence to the law at the prosecutors offices at district level. They should be regularly employed on such checks.

We will then at the same time obtain suitable points of departure for regular investigations by the prosecutors offices as provided in article 30 paragraph 1 sentence 2 StAG /public prosecutors law/. These are also necessary in order to achieve even greater preventive efficacy.

Lastly to be better used are the opportunities offered by the general control of adherence to the law for causing superordinated state and economy organs more conscientiously to carry out their own checks of subordinate facilities. District public prosecutors should increasingly direct their attention to this issue also. To do so they need to pursue an appropriate operational link with kreis public prosecutors, especially in cases when their warnings are not adequately taken to heart.

The Effective Organization of Public Prosecutorial Publicity

The improvement of the efficacy of the general control of adherence to the law calls for the appropriate public appearance of the public prosecutor. Much depends on our ability to conduct the critical dispute with underestimates of the law wherever that is shown to be necessary. We therefore need even more resolute efforts "on the spot," so that all concerned may maintain the proper attitude to offenses, and nobody is allowed to "get around" this.

Insofar more efforts are required in the 1980's for improving the politico-ideological efficacy of our work. This includes stronger opposition to unsocialist attitudes and behavior which mean, in particular, phenomena such as selfishness and greed, exaggerated consumerism as well as petit bourgeois considerations of prestige and boastfulness. We must resolutely proceed against any influences amounting to the dismissal of the ideals and value concepts of the working class, to disregard of socialist rules of behavior.

We have always interpreted the publicity work to be done by public prosecutors a firm element of the comprehensive political work with the masses, organized and carried out by the party of the working class. Now it will be necessary to incorporate our efforts even more effectively and responsibly in this work of ideological education. It is vitally necessary "further to raise the socialist consciousness of the broad masses, actively to develop their Marxist-Leninist ideology and communist ethic," further to strengthen their civic and legal consciousness, so that "the kind of social life and individual behavior characteristic for the developed socialist society may become more and more marked in all spheres of life."⁴

In accordance with the specific nature of his function this contribution by the public prosecutor must consist mainly in initiating and pursuing the lively response to all concrete illegal behavior, its causes and implications. That must continue to be the focus of the politico-ideological work to be done by him. It will be necessary "increasingly to discuss attitudes to work, responsibility, honesty and discipline, the full exploitation of capacities..., to remove abuses and resolutely combat any red tape."⁵ Here also the leadership responsibility of district and kreis public prosecutors is growing. They must ensure that our powers are brought to bear with regard to all problems involved in the necessary change in the attitude to adherence to the law and state discipline.

It is of the utmost importance further to strengthen the relations of trust with the masses, and even more encourage their activism with regard to the enforcement

of the legal order. We do not merely spout democracy, we promote it steadily because the evolution of socialism is unthinkable without the conscious massive democratic cooperation of the working people. That is among the most important guarantees for the consolidation of adherence to the law.

FOOTNOTES

1. See J. Streit, "Topical Tasks of the Public Prosecutor System," NEUE JUSTIZ 1980, No 10, p 434.
2. On the relation of adherence to the law and usefulness, which--in theory and practice, in this or that form--constantly resurfaces as an issue, see also D.Seidel/G. Stiller, "Scientific-Technological Advance and Socialist Adherence to the Law," NEUE JUSTIZ 1978, No 12, pp 517 ff.
3. See H. Moebis, "Fre and Conscious Discipline," EINHEIT 1980, No 9, p 902.
4. "Programm der SED" [SED Program], Berlin 1976, pp 21 and 53.
5. "Aus dem Bericht des Politburos an die 12. Tagung des Zentralkomitees der SED. Berichterstatter: Genossin Inge Lange" [From the Politburo Report to the Twelfth SED Central Committee Plenum. Reporter: Comrade Inge Lange], Berlin 1980, p 62.

Thefts of State Property

East Berlin NEUE JUSTIZ in German Vol 35 No 5, May 81 pp 210-212

[Article by Dr Walter Girebe, Jurisprudence Department, Humboldt University, East Berlin: "On the Social Nature of Crimes Against Socialist Property"]

[Text] Crimes against socialist property and also those against personal and private property predominate numerically in the total of crimes noted in the GDR. They account for about half of all registered crime, and 50 percent of all crimes against property are directed against socialist property.

The damage caused by these crimes and the destructive effects arising therefrom are considerable, especially because they often tend to diminish the economic successes achieved by our national economy. The struggle against these crimes is therefore always within the purview of the prosecuting organs.² The development of crimes against property in recent years shows how complex the struggle against this type of offense really is, and how great are the efforts needed to overcome their causes.

The Tenth SED Congress emphasized that SED policy will continue to focus on the purposeful pursuit of the resolute implementation of the main task.³ This necessarily requires the further evolution of socialist property conditions and their effective defense against attacks hostile or dangerous to society. In order correctly to comprehend the antisocial and dangerous essence of these attacks, we must clearly show their social nature and the direction of attack represented by the crime actually committed.

It was pointed out repeatedly in the past that crimes against property are a phenomenon profoundly alien to the socialist lifestyle, negating the right and duty to honest work and violating the principle "from each according to his abilities, to each according to his performance" which is part of the constitution of our society. At the same time such acts give rise to many destructive effects on the relationship with fellow men and the evolution of consciousness. Yet this correct and generally valid statement does require further and more profound discussion.

The classics of Marxism-Leninism recognized that property always represents a social relationship, that the concept of property expresses the "behavior of man toward his natural production conditions as his own, as presumed by the fact of his existence."⁴ It follows that crimes against property are directed not against the respective "thing" but always against quite specific social conditions and relations. These social conditions and relations are variously organized, consonant with the different types of property in the GDR, and are therefore treated differently by the criminal law of the GDR.⁵ Consequently it is necessary correctly to present the respective specific circumstances and give them expression in the appraisal and evaluation of the crime against property.

State Property as Total Societal Property

Though state property is made available to various state combines, enterprises, organs, facilities, and so on, for administration, utilization (including multiplication) and disposal, it always remains total societal state property.⁶ There is no such thing as a division into the property of specific facilities, enterprises or institutions. State property is indivisible, and nobody has the right to claim "his share" from the state. There is no "subjective property right" of the individual to state property.

The observance of the ownership function by the socialist state is one of the crucial methods of the exercise of power by the working class, led by its Marxist-Leninist party. Renunciation of the state type of ownership would inevitably result in the loss of its meaning as general state property, the loss of a crucial aspect of the exercise of power by the working class and, consequently, imperil the achievements of socialism. State organs, facilities and enterprises as legal entities acting on behalf of the socialist state may therefore be assigned parts only of the united state property for management or operational administration.

Ownership, Utilization and Disposal Powers in State Property

State enterprises, combines, and so on, exercise certain rights on behalf of the socialist state and accept corresponding duties in the economic utilization of the parts of the united state property entrusted to them. Analogous to personal property, these rights and ownership powers are subdivided into ownership, utilization¹⁰ and disposal powers. Their sum total represents the substance of proprietorship.

These aspects are of particular significance from the standpoint of the penal code also, because it is a characteristic feature of crimes against property that they are not directed against socialist proprietorship as such either by virtue of the individual offense nor in their totality. They do not attack the basic production

conditions. The criminals do not steal any factories or industrial plants belonging to the people. The criminal acts, instead, refer to the illegal acquisition of tools, money, consumer goods of all kinds, jewelry, and so on. The theft of such items belonging to socialist property, while signifying damage to socialist property by way of socialist assets or the intrinsic value of the property, does not attack property relationships as class relationships.

By his crime against property the offender damages the new relations between people, which have evolved on the basis of socialist ownership and living conditions. At the same time we must remember that crimes against property not only damage socialist property stocks or existing assets but also injure it in other economic connections (such as the use of the economic levers wages, premiums, prices, profits, and so on). This becomes most evident when the objects stolen from socialist enterprises are urgently needed to maintain the orderly production process (for example large quantities of building materials or parts of vehicles, machines or electrical devices). Occasionally entire production lines may be disrupted or plants made idle by such crimes.

These other material effects produced by the crime against property must be taken into consideration when appraising the objective seriousness of the crime. In how far they should be counted against the criminal with respect to the sentence imposed will depend on many aspects which I am not going to deal with at this point. Directly affected thereby is the question in how far these subsequent effects of the crime were realized by the offender upon commission, and whether his action meets the criteria of an economic crime as well as those of a crime against property.

From the aspect of damage to property relationships we must further take into account the fact that the offender, upon appropriating certain items, deprives the legal holder of socialist property of the opportunity to own, utilize and dispose of these items. The legal holder of socialist property is injured in his property rights (the powers of ownership, utilization and disposal). Here we clearly see the close interrelationship, the dialectical unity of property and proprietorship. While property involves the attitude of man to his natural production conditions as his own, the process reflected therein of the acquisition of the results of production, proprietorship represents the₁₂ manifestation of the property in the sense of the ownership of property objects.

As the state has allocated to the state enterprises, combines, and so on, the operational administration of certain parts of the total societal state property, so that they may accomplish the state tasks assigned them, the state enterprises, combines, and so on therefore also preserve the property rights arising from the property. They are authorized on the basis of legal regulations to own, utilize and dispose of the state property entrusted to them by the socialist state.

Ownership powers reflect the right of the owner to exercise actual domination (material domination) of the objects of his ownership rights (objects and rights).

In the case of state property those state enterprises, combines, and so on, in other words those facilities and institutions hold ownership powers, which were assigned the operational administration of these objects. This does not preclude the possibility of this ownership being transferred to other enterprises or individuals.

The enterprise, for example, provides tools, protective clothing or other objects to its employees for their sole use, or it may issue them money or materials for permanent or temporary exclusive safekeeping (article 262 paragraph 1 labor code).

In these cases the enterprise remains the indirect owner in the meaning of the civil law; the employee becomes the direct owner. Article 158 penal code says that he "who unlawfully acquires for himself or others objects allocated to him, or which have come in his possession by other means" is to be punished for theft. This refers precisely to the above mentioned type of direct ownership. In the case of the first alternative to article 158 penal code (taking objects to acquire them illegally), the offender lacks this ownership relation which must always provide the opportunity of directly affecting the respective object, keeping it under supervision.

The utilization and disposal powers of the enterprises also arise from the economic function of state property and the normative enactments issued thereto. If certain objects are illegally taken from state property or its legal holder (regardless whether by theft or fraud), the result is damage to the authorized holder with respect to his utilization and disposal powers over these objects. He is no longer able appropriately to use and dispose of these objects.

This is not only a legal issue but--and in the first place--a political and economic issue, because involved here is damage not only to the authorized holder in his legal ownership rights but also to the economic function which is always target and purpose oriented in the socialist planned economy. Following the theft of tools or materials, the VEB, for example, is no longer able to appropriately use and dispose of these objects.

Cooperative Socialist Property

In contrast to state property, cooperative socialist property which, on the basis of state property only, may exist as the foundation of socialist production conditions, is always collective property. Crimes against property damaging the cooperative property therefore always injure the respective collective.

Though crimes of this kind fall under the same penal provisions as those directed against state property (articles 157 ff penal code), the specific contexts and different relations should be clearly explained in each criminal procedure.

In recent years facilities have evolved in agriculture especially, which transcend single cooperatives (for example intercooperative construction organizations or agrarian-industrial associations). The property situation in such cases must be elucidated by way of model statutes, model inner structures and other legal provisions. Involved here may be such facilities as are of an intercooperative nature, (ZGE's) or those which combine both state socialist and cooperative property (ZBE).¹⁴

...

If, therefore, we aim properly to appreciate the social nature of crimes against property, it is important to recognize that involved here are two levels of a genuine life process:

1. The level of economics, that is the production and reproduction of the living conditions of society, and
2. The level of the ideological reflection, that is the politico-moral and legal interpretation of this process.

Upon this assumption every criminal procedure should clearly show

- Against which of the types of property listed in article 10 of the constitution and article 157 of the penal code the crime was directed,
- That attacks on state property always involve damage to the total societal property which has been assigned to certain state enterprises, combines, and so on, for operational administration as per its economic function,
- Which legal holder of socialist property (enterprise, combine, and so on) was damaged by the crime, and
- What is the concrete result of that damage, in other words which specific conditions were damaged by the crime, and what disadvantages arose therefrom for the legal holder of the socialist property.

To raise the efficacy of criminal procedures consequent upon attacks on socialist property, the investigating organs, public prosecutors and courts must initiate purposeful measures for the permanent removal of causes and conditions found to be encouraging such crimes. In each stage of the proceedings the respective responsible organ of the administration of justice must ensure that inadequacies in the defense of socialist property are removed, defects in the accounting and voucher system eliminated and gaps in supervision avoided. To do so they should use the most suitable methods--such as suggestions, recommendations, protests or court censures. In connection with the preparation, conduct and evaluation of criminal procedures in crimes against property it will also be necessary to support the movement for exemplary order and safety and thereby encourage the responsibility of senior cadres and all working people for the defense of socialist property against attacks of any kind.

FOOTNOTES

1. The crime statistics for 1978, for example, record

A total of 126,620 crimes

30,687 crimes against socialist property

33,140 crimes against personal and private property.

See "Statistisches Jahrbuch der DDR 1979" [1979 GDR Statistical Yearbook]. Berlin 1979, pp 380 f.

2. See, for example, the Eighth Supreme Court Plenum of 3 October 1973 (NEUE JUSTIZ 1973, No 22, pp 655 ff), the Thirteenth Plenum of 8 December 1974 (NEUE JUSTIZ 1975, No 3, pp 71 ff) and the Twelfth Plenum of 15 June 1979 (NEUE JUSTIZ 1979, No 7, pp 297 ff).
3. See E. Honecker, "Bericht des Zentralkomitees der SED an den X. Parteitag der SED" [SED Central Committee Report to the Tenth SED Congress], Berlin 1981, p 48.

4. K. Marx, "Grundrisse der Kritik der Politischen Oekonomie" /Outlines of the Critique of Political Economics7, Berlin 1974, p 391.
5. See articles 10 and 11 of the constitution and articles 157 ff and 177 ff penal code.
6. Occasionally we hear the question whether, for example, the illegal removal of objects from one VEB by the employee of another VEB may, for this enterprise, actually be considered theft to the detriment of socialist property as per article 158 penal code. In my opinion this question must basically be answered in the affirmative, even though criminal sanctions need not necessarily be imposed (see article 3 penal code).
7. See J. Becher, "Social Ownership of the Means of Production," DEUTSCHE ZEITSCHRIFT FÜR PHILOSOPHIE 1973, No 11, p 1365.
8. See V.I. Lenin, Collected Works, supplementary volume 1917-1923, Berlin 1971, p 77.
9. This principle is reflected in, for example, article 19 paragraph 1 civil code.
10. See "Grundriss des Zivilrechts"/Outline of Civil Law7, No 1, Berlin 1977, p 19.
11. See "Materials of the Thirteenth Supreme Court Plenum," NEUE JUSTIZ 1975, No 3, pp 72 and 77. On the Twelfth Supreme Court Plenum see H. Keil/S. Wittenbeck, "Raising the Social Efficacy of Legal Decisions for the Defense of Socialist Property!" NEUE JUSTIZ 1979, No y p 297.
12. See "Outline of Civil Law, as before No 2, Berlin 1977, p 15.
13. See Model Statutes of the Crop and Animal Production LPG's of 28 July 1979 (GBL Special Issue No 937); K. Buss/G. Puls/R. Trautmann, "Further Development of LPG Law," NEUE JUSTIZ 1977, No 5, pp 129 ff; M. Mueller, "How Are the Model Statutes Doing in Our Socialist Agriculture?" EINHEIT 1980, No 1, pp 39 ff.
14. The third type of socialist property listed in article 157 penal code (property of social organizations of the citizens) will not be dealt with here.

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CSO: 2300/296

HUNGARY

ACTIVITIES OF ENTERPRISES ABROAD DESCRIBED

Budapest NEPSZABADSAG in Hungarian 22 Jul 81 p 10

[Article by Sandor Demcsak, director general of Hungarian Foreign Trade Bank:
"Hungarian Enterprise Abroad"]

[Text] We are living at a time when the slogan "let's export more and at better prices" is being written on the flag of almost every country. The rise in oil and the other raw material prices have caused balance-of-payment deficits making indebtedness a common trend.

The deepening economic crisis in the leading capitalist countries and the competitive struggle that has arisen from the serious situation of recession are making our exports more difficult as well. But experience has also shown that an increase in our exports and an improvement in their profitability are possible in spite of all difficulties. In the situation that has developed, however, the increased direct presence of enterprises in the markets has become a vital question. "Market presence" is of course also possible in other, indirect, ways, but decades of experience have shown that even close contact between the most skillful local agent or importing enterprises and Hungarian vendors do not have the advantages that the Hungarian enterprises in the buying countries provide.

Varying Forms

The presence of our enterprises in export markets has taken many legal and economic forms.

A large number of the enterprises with bases abroad functioning as independent legal entities are under joint ownership. Companies with both foreign and Hungarian participation are generally established in those cases where the representative of a Hungarian enterprise participates as a foreign partner in the new undertaking. In such forms, the interests come into being as the result of a mutual agreement. The Hungarian enterprise gives up a part of its profit, to be sure, but it preserves the market connection of its former agent, and it expects that the share of its profits which it has given up will not be much greater than the former agent's fees would have been. The foreign partner can count on being able to transmit more strongly the effects of the market forces to the production enterprises in Hungary through the joint enterprise, and income may increase through closer cooperation by selling greater quantities of goods that meet market demands.

In other cases the Hungarian enterprise seeks a local capitalist partner or partners because their market organization and situation guarantee in advance that its goods will be sold.

A foreign enterprise with totally Hungarian ownership is generally formed when the domestic leadership has available experts suitable to direct the work of the foreign market. In such a case the Hungarian enterprise itself possesses the capital and all other conditions necessary for the undertaking.

Three-fourths of the more than 100 Hungarian enterprises operating abroad are of a commercial nature, dealing with selling our export goods on the market. Formation of enterprises has not played a role in Hungarian export plans for a long time, but the economic reform introduced in 1968 gave a significant impetus in this direction. The first timid steps were followed by accelerated development. Nowadays, more than a fifth of our non-socialist exports are accomplished through trade enterprises based abroad. For the exports of our largest enterprises in foreign commerce or with rights in foreign commerce, this proportion is more favorable. Nearly half of the exports of Hungarotex and Medimpex and one third of the exports of Egyesult Izzo [United Incadescent] are handled by our foreign network.

The content of the work of the trade enterprises in many cases is in the nature of an agent. This undoubtedly represents a step forward compared to the time when the existing market organization, not in the hands of the Hungarian enterprises, directed this same work. But a more advanced and effective method, as experience has shown, is "market presence" with sub-enterprises operating with their own market capital and working at their own costs. Decisions are then made locally and on the spot without any intermediate links in the chain. The local directors enjoy great freedom to carry out their ideas.

The enterprises often perform a market distribution function as well, thus displacing the local middlemen and insuring profit for themselves. The independence of the directors does not preclude a close connection with the mother enterprise, rather it requires one, thus transmitting market influences back home. In reality the companies working at their own cost can be regarded as truly efficient Hungarian commercial enterprises operating in the countries of the buyers. In this direction it would be necessary to develop further the work of companies performing the functions of an agent. It is mainly from them that we can expect the solution to problems that go beyond increasing exports, such as researching the possibilities of re-export or organizing their market cooperation.

The establishment of production enterprises serves mainly to increase development machine industry exports.

The less developed capitalist countries are attracting foreign production capital through government tax, credit, and other concessions. The Egyesult Izzo joint enterprise in Ireland came into being on this basis recently bringing about new job opportunities and making possible to continually increase Izzo's machine, equipment, semi-finished and finished goods exports and an improvement in their profitability.

What the Developing [Countries] Need

There is an ever increasing demand in the developing countries for enterprises selling "turn-key" systems to participate in the operation of the systems in the form of a joint enterprise. For it has happened--especially in the few oil-exporting countries--that the turn-key systems, delivered with the most modern technology, have not worked after delivery or have worked only with reduced capacity. Today the condition is often made when the order is negotiated that the company supplying the equipment retain an interest in its economic operation possibly even through capital participation and also take part in the management of the plant. The advantages and guarantees that the purchaser obtains in this way make it worthwhile to allow the supplier to share in the profits.

As a result of all this, it is understandable that the [question of] establishing production enterprises abroad does not arise in the form of "do we want to or not?" but as an important means of realizing our long-range export policy. For this reason more courageous advances on the part of our enterprises would be necessary in this area. It is true that the establishment of production enterprises abroad is more difficult, more complicated, riskier, and requires more capital than the establishment of trade enterprises. Our enterprises are very reluctant to devote financial resources from their development funds for this purpose. It is also true that we have a few bad experiences behind us. Because of poor results or losses we have had to dissolve several of the enterprises we established abroad. This, of course, applies not only to producers. Everyone who enters the capitalist market, be it foreign trade, industrial, or even a catering enterprise, must realize that the market does not forgive even the slightest mistake. The profit column is the only means to measure activity. In most cases the reason for failure is a poorly chosen partner, incorrectly assessed market possibilities, insufficient capital for the continuation of activity, or lack of ability of the management.

Credit, Guarantee, Advice

It would be appropriate at some other place to talk about the experiences of the most successful of our foreign enterprises. Among those enterprises that are operating well we find the most varied fields represented. The transportation trade, insurance, providing of services, and tourism are all represented.

How can the enterprises be helped so that undertakings like these will be more successful? Looking at the problems, it is obvious that we need "bread as well as advice". The "bread" is to meet the needs for capital. The foreign enterprises source of money (up to the limit of its capital participation) is the development fund of the mother enterprise. The question is: what kind of possibilities are there beyond the classic bank activities for alleviating problems in the area of need for capital?

The Hungarian Foreign Trade Bank, under authority from the Ministry of Finance, can now participate as an enterprise partner abroad in the establishment of purely Hungarian or of joint production enterprises. Up to the limit of its capital participation this means a lightening of the load from the point of view of the enterprise's development fund. The formation of the Interinvest Development Society with the centralization of the free development funds of the foreign-trade enterprises has opened up great possibilities for easing the supply of capital. The undertakings of a trade enterprise established abroad can gain momentum through

funds received from the society. Interinvest also assists already existing foreign interests to accept new Hungarian enterprises entering the market or even to establish new ones jointly. This applies to the industrial production establishments as well.

As for the advice: the financial institutions, including the Hungarian Foreign Trade Bank have been involved with the establishment of foreign enterprises for many years. The bank has not only accumulated a lot of experience, but it has also created connections with foreign partner institutions, commercial, legal, and accounting offices, and in some places also with the authorities concerned. Within the framework of having responsibility for these activities, the bank assists in selecting foreign partners, establishing financial, legal, and other conditions, and in obtaining licenses from the authorities. It participates in financing the operating enterprise: it extends direct credit, assists in obtaining local bank credit with advantageous conditions, it extends guarantees for them, and gives advice on financial questions.

Of course we do not advise any Hungarian enterprise to consider establishing a foreign sales and production enterprise encompassing the whole world like the multinational enterprises have. But in no case can we give up on the idea of establishing a foreign marketing system when we can establish long term profitable exports through it.

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CSO: 2500/313

REGIME'S NEW POLICIES IN RETAIL TRADE ELABORATED

Budapest ALLAM ES IGAZGATAS in Hungarian No 7, Jul 81 pp 621-620

[Article by Dr Gabor Dobos, "New Policies in Retail Trade and the Catering Industry"]

[Text] "Individual and family labor resources must be better exploited. The majority of workers in their free time engage in a kind of work and money-making which is beneficial for both the national economy and the individual. This is an auxiliary resource for our development: it contributes to satisfying the rapidly expanding and changing demands and to the growth of national assets. Its economic, legal, management and supervisory aspects must be regulated in harmony with social interests and must be linked to socialist enterprises." (From the resolution of the 12th party congress.)

1. In the past 3 decades, domestic trade has gone through significant developments. The number of stores and catering establishments has doubled, and business had a six-fold increase (based on constant prices). In 1952, there were 32,900 retail stores in the country, while today, including private trade, 65,300 stores serve the population with ever higher standards.

The great majority of the stores and catering establishments are operating within the framework of the socialist sector. These stores are doing 97 percent of the business.

In 1948, at the time of nationalization, the retail trade network was extremely segmented; the number of stores and catering establishments was 90,200 at that time. The number of stores today is only about two-thirds of that, and there are only 4 percent more catering establishments now than 32 years ago. On the other hand, there were only 25 department stores in the country in 1948, as opposed to today's 140 department stores and 900 supermarkets. These hardly more than 1,000 units are doing more business in themselves than the 71,600 stores did before the nationalization.

The number of large stores is increasing where the consumer can shop with relative comfort and speed. In spite of a significant concentration, the number of small stores and catering establishments is large in this area. Three-fourths of the stores belong to this category and do one-third of the business. In certain specialties (meat, vegetables, tobacco, delicatessen, liquor) the small stores are doing 60 to 80 percent of the business.

In addition to the decisive role of large stores, the small units are indispensable in serving the population. This is also corroborated by the data of the other socialist countries and some developed western countries. Because of the relatively high number of small stores, each store has 2 to 6, and each catering establishment has 5 to 8 employees in the socialist countries.

The small stores are indispensable primarily in towns, villages and residential districts but are popular even where large stores are accessible. Some consumers like the personal contact with the sales people, and this can be had primarily in the small stores. Pleasant small restaurants add color to the trade network and shape of the city.

At the same time, because of objective and subjective reasons, the enterprises closed many small stores, primarily because of labor shortage but also because running the small stores profitably was problematic for them.

The managers of small stores are not interested enough in serving the needs of the consumers and in doing more business. Wages based on commissions have not in themselves proven to be incentive enough. The incentive for efficient management, a better use of live labor and assets, and making more profits is especially lacking and thus material waste and costly, and operational losses are frequent. It is a paradox that the small stores are not or are hardly profitable for the enterprises but at the same time are indispensable for the population.

The stores and catering establishments are at present working with two forms of accounting:

--the larger stores have a so-called strict accounting, whereby cash receipts are registered on cash registers or by those means and the store (or department) is required to give a daily accounting.

--the smaller stores generally use the form of free registering, whereby they must forward all of their cash receipts but do not have to report them every day because there are no proofs of sale. Full-scale accounting is possible only later, during inventory. But even then, there is no possibility to make the manager accountable for the extra profits resulting from the nature of the product, the way of serving or cheating the customer, or from the illegal sale of unreported or so-called foreign products for private profit. (According to the professional slang; a foreign product is one which is not ordered by the store manager through the enterprise channels but is bought with his own money from the producer or retail merchant and is sold for his own additional profit.)

The operating system of the larger, so-called strict units is not going to be changed significantly in the future. It is necessary, however, to give more authority to store managers in establishing prices and wages and in the management of sales. In addition, they must be given more incentives, and the accounting must be simplified.

It must be noted here that the expansion of strict accounting is not feasible. To supply today's free registering units with cash registers would require an investment of 1.5 billion forints and an additional 10,000 to 12,000 employees.

Extensive surveys and experiments show that the problems of managing the small stores, free registering cannot be solved either by stricter supervision or by additional administrative measures. This is why it was imperative to find new ways of management. The new way is the so-called contract management, built on the manager's total independence and keen interest.

The essence of it is:

- based on a legal civil contract, the managing organization (enterprise) sublets its individual stores to a private entrepreneur or entrepreneurs up to a maximum of 5 persons;

- the store space and the fixed assets remain the property or tenancy of the enterprise but are used by the entrepreneur; in addition, the latter may use a significant part of the working assets (products, materials, rolls and semi-fixed assets), acquire the right of operating the store and the ideological benefits that a newly opened store yields;

- the store manager makes the commitment of operating the store according to its nature, of stocking and selling products according to the needs of the population and, in the catering establishments, of making and serving foods and beverages. (The merchandise turnover must be conducted according to official regulations!)

- the store's direct expenses are covered by the revenues and the manager pays the enterprise a blanket fee fixed in the contract to cover its general expenses and to offset lost profits;

- the income that remains after honoring his obligations to the managing enterprise is at the manager's free disposal (this income is taxable);

- the manager may use his own cash in financing the store's working assets. The value of working assets given to the manager for use is fixed in the contract. The financing of additional working assets is the manager's responsibility;

- the manager operates under the enterprise's name and thus he does not need a private vendor's license for he is considered a wage earner (however, for the duration of the contract, he is not considered as an employee);

- those working in the store remain the enterprise's employees.

In essence, then, the manager works in the store given to him by the contract in the name of the enterprise but at his own responsibility and risk. He independently organizes and manages purchases and sales, and he is the one who decides on the use of assets. He can purchase his products anywhere. The various administrative limits cease to bind him. In this kind of contract arrangement, generally those official regulations must be followed which also involve private merchants.

The independence and decision making of the contract manager described above is similar to those of tenants. Significant differences are, however:

- the manager is not considered a private merchant;
- the store's workers are not the manager's employees but those of the enterprise;
- the manager works partly or entirely with enterprise resources.

The same or better service for the consumers and the safeguarding of consumer interests is accomplished primarily by the financial interest of the contract store managers. A healthy competition is supposed to be created which will also serve the consumer's interests. In addition to the foregoing, consumer interests are also served by various official regulations that include contract stores as well. Such are the General Trade Regulations which deal with the stores' external and internal order, service, packing, measuring, computing, cash handling etc. The contract store must also adhere to public health regulations and price regulations.

The contract store is thus part of socialist trade. For the stores remain the properties of enterprises or cooperatives, and this will be also shown on their sign-board. If they prove to be useful, they will rather strengthen than weaken our socialist trade precisely by better serving the population and by contributing to the profits of the enterprise or cooperative.

2. The expected benefits of the contract stores are:

- By the elimination of purchasing regulations, direct acquisition from household plots and artisans may increase. This way the product will not have to be transported so far, there will be a wider selection of products, productivity will increase and thus supply will improve. In addition to an increase of basic products, it is expected that the product originating from central stocks will reach the consumer where and when he wants it. This will be accomplished by the manager's increased independence and financial interest.

- Store hours will better adjust to business and the population's demands.

- The interest will be incentive for the managers to give the customers courteous and fast service and to expand their clientele.

- The contract store managers' financial interests and their own investments will be an incentive for them to steadily increase business, to use labor and assets efficiently and to rationally decrease costs. The store managers will, supposedly, carry out their tasks with a smaller labor force and will increasingly use the help of the members of their family. Work intensity will also increase. It is possible that smaller repairs and maintenance will be carried out by the managers and their family.

- The managing organizations' incomes and budget revenues may also increase. A more efficient management and the fees coming from taking away part of the present illegal income of the free registering stores' managers may increase the enterprises' profits by roughly 10 to 15 percent. In addition to the resulting profit taxes, higher income taxes will also boost the budget revenues.

-- Central management will be simplified and thus there will be less red tape. Because of the managers' independence, the management of this new type of store will give minimal work to the managing organizations. With the labor force that is freed this way, the enterprises' and cooperatives' central labor force may be reduced and these forces may be better concentrated to manage the larger stores. Later the number of enterprises may probably be reduced as well.

-- Private financial assets may be used in financing commercial working assets. The blanket fees coming from store managers may be expected to amount to 1.5 to 2 billion forints by 1985. Part of this investment will decrease the OTP's [National Savings Bank] deposits, but it might be possible to somewhat decrease nonproductive investments and value accumulations.

3. The introduction of contract stores will be gradual; we can realistically expect that of the 65,000 stores only 6,000 to 7,000 will become contract stores and catering establishments by 1985. (The deadline for the latter is 1 January 1983).

Essentially, the introduction has just begun, and the experiences are generally favorable. The system is thus just in its beginning phase, and like anything new it also has its opponents. Of course, some kind of individual interest lies behind most objections. Why should it be favored by self-employed people, for instance, who belong at present to the category of illegal money makers? At the enterprises, too, the central labor force may be reduced, indeed, some organizational changes may also come about. This is how it can happen that some consider private enterprise and investment of private funds as "reprivatization."

It has also come up that the new stores will perhaps draw the labor force away from other stores. This is possible because a sales person in a contract store doing a brisk business may receive extra bonuses from the manager in addition to his salary and thus he can earn more. But legally! Since palm greasing will be little in these stores. Nevertheless, we must not be afraid of an increased labor shortage. First, because the manager increases his own individual income by saving on wages. At the same time, his family may help him out without any further contract with the enterprise. In this sense, then, the labor force in commerce will rather increase.

But if the labor force would begin to move toward the new stores, and since their labor requirements are quite limited, a kind of competition would develop after some time which would be an incentive to organize professional training and, generally, for more professional work.

There are those who are afraid that the contract store workers will be exploited. This is made impossible by our socialist system and, because of the character of the work, even that kind of "exploitation" is impossible when sloppy workers "exploit" the hard workers since the state pays them from the latter's output.

We must also face the expected danger that some will receive excessively high an income. This will be offset by the taxable salary of the manager. But if he turns out significant profits from the store which did not bring in much before for the enterprise then let him have part of these profits. This must be considered as a regulated income differentiation based on socialist income distribution, since this means for society a reduction of costs; or if he draws

business away from somewhere else, then they doing better work are gaining an advantage for themselves by as compared to one doing poor work.

4. It may be considered a new form in commerce that the decree on state store rental includes state catering establishments with a limited number of employees and that it is possible to carry on private trade in 20 other fields.

By eliminating various limitations and red tape, and by allowing a higher number of employees, the number of private merchants may be increased and thus "monopoly" may be reduced and competition may be increased.

The private merchant or tenant has been allowed up to now to employ 1 to 4 employees or family members, depending on the kind of store. According to the new decree, he will now be able to employ, depending on the kind of the store, 2 to 6 employees and a maximum of 6 family members.

5. The introduction of the contract store is being done in accordance with principles of cooperative policies in public consumer and marketing cooperatives. The National Council recommended that the cooperative organs employ the contract system primarily in the catering establishments of Budapest, the cities and larger resort areas. Regarding small retail stores, the new form of accounting will be expedient in stores selling produce and other small stores where the contract form would be more efficient.

The National Council instructed the cooperatives to operate their newly opened units in the cities (and affected by the statutes) according to the strict or contract system and not to renew expiring free register contracts but to change them to strict or contract system. After the assessment of the new experiences and after making the necessary changes, the types of units will be expanded on the basis of the expected improvement in supply, management and efficiency. The cooperative's top executives should decide on this after considering the opinions of the members and the executive committee.

In order to implement cooperative characteristics, the following must be taken into consideration:

a) with the introduction of new form will not change the legal regulations of cooperative, the principles of cooperative policies and the rights of the cooperative membership and staff. Special attention must be paid in small communities to the existing obligations to supplying the members where most of the adult population belongs to the cooperative. When it is determined that stores will adopt the new form of management, cooperative democracy must be implemented 100 percent. The management should seek the advice of the area's executive committees and thus establish eligibility. The executive committees, on the other hand, should seek the membership's advice in formulating their opinion. Members and the area's population should be timely and adequately informed about the decisions. The store manager should become a member of the cooperative.

The cooperative law, constitution and internal regulations provide the members and autonomous organs with numerous rights connected with economic activity to implement proprietary supervision and membership interests.

The employees of these stores are also eligible for all benefits and bonuses that the other members of the given cooperative are receiving without regard to the type of operation.

b) The individual stores will be integral parts of the cooperatives' entire activity. The public consumer and marketing cooperatives and enterprises, in addition to their commercial activity, will also be engaged in planned activity in production contracting, production and processing. The managers of small production will be involved in the manufacture of food and other industrial products. The population's steady supply of produce will be based on contracts not only with small farms but also with large enterprises. On the one hand, the cooperatives will sell the consumer goods they made and, on the other hand, they will buy through their own stores the products produced by the membership and the population. It is in interest of the cooperatives and society to make this new form of management an incentive for making the cooperatives' auxiliary activities more efficient.

c) The cooperatives traditionally take part in the implementation of unified village policies and in the community's socialist public life. The workers of the individual stores take part in the cooperative's social and campaign functions.

The National Council recommended that the cooperatives make contracts which implement not only the decree but also the characteristics of the cooperatives. Thus in drawing up the contracts, among other things, the following must be taken into consideration:

ca) in order to implement a uniform business policy, it is expedient to make an agreement with the store manager, in addition to specific conditions, that

-- he will sell goods produced and processed by the cooperative's own plants;

-- he may use the cooperative's internal services (transportation, repair, maintenance etc.);

-- in connection with the store's operation, he will do necessary management work and acquisition in accordance with the cooperative;

-- he will provide subscription meals according to demand.

cb) In order to implement the rights of members and staff, the store manager

-- will provide members with free and other benefits as determined in the by-laws and membership meetings;

-- will carry out, adequately and according to the general regulations, the tasks related to reimbursements (e.g., registration, cashing of cash-notes), since according to cooperative by-laws, the members are eligible, on the basis of using the cooperative's services and regardless of the type of operation, for reimbursement of purchases and sales;

-- accepts according to the law that, even in the case of contract stores, the executive committees make recommendations or express their opinion on developments, employment, wages, rewarding the manager, terminating his employment, store hours, and determining the store's specialty;

cc) acknowledges that according to cooperative law it is the responsibility of the supervisory committee to continually supervise the cooperative's entire activity. The supervisory committee has the right to inspect documents and to request information from the manager or the employees. They are required to furnish the requested information.

The executive and supervisory committees have the right to examine questions related to safeguarding the small producers' interests and the cooperative's property, and questions included in the contract. They check the comments of the consumers and members and, through sample shopping and other methods, keep an eye on pricing, quality, exact measuring, order, cleanliness and culture of the units.

The National Council recommended that the cooperatives implement the cooperative policy requirements on the basis of the characteristics of the individual residential areas and the interests of the respective memberships.

The contract stores continue to remain the property of the cooperatives and integral part of socialist trade.

6. It is expedient to pay attention to the following in relation to the activity of the authorities:

Contract stores must also adhere to the General Trade Regulations and the requirements related to the field of business, dealing with consumer complaints about quality, consumer comments, public health, measuring, fire regulations, labor regulations and pricing.

The contract store's business profile may be changed only with the consent of the enterprise and the permission of the local trade commission. It may be specified in the contract that it is mandatory to regularly market products that are important from the aspect of public supply (e.g., potatoes in stores that sell produce).

Consumer complaints must be dealt with according to the general regulations even in the contract stores. Considering that the store is operated under a subcontract by the management organization, the orders directed to the management organizations must be followed.

On this basis, consumer complaints related to food, household products and chemical products must be dealt with by the contract store's manager even if the product in question was not purchased in his store but is one that he sells too.

The costs related to consumer complaints must also be accounted according to the general regulations according to the decree 13/1978. (III.1.)MT. This may be done two ways. 1. The manager either passes on the costs to the delivering enterprise or reports the costs to his parent management organization within the specified time period. In the latter case, in order to hold to the deadline specified by the statute, the manager must make the documents necessary for the claim available to the management organization. The claim must be handled separately at the management organization and the store manager is entitled to the money. The contract must specify the way data must be supplied and the related deadlines.

The contract store must also conspicuously and accessibly display the book for consumer comments. One copy of each comment must be sent to the enterprise within 8 days from the time of the comment. The manager must examine the complaint and take the necessary steps; he must also make a record of his actions both in the book and in the copy sent to the enterprise. The enterprise keeps an eye on the measures and, if necessary, initiates action.

The issuance of private vendor's licenses must serve the trade policies. In case of professional, official and moral qualifications the license must be issued if the trade activity applied for serves public interest and public needs. Thus the councils must see to it that the lack of state or cooperative stores in their areas are made up by private trade. There are, however, certain areas where consumer demand must be carefully examined (e.g., fashions, knitwear, technical goods, etc.). At the same time, correct trade policies will make it possible in these areas to eliminate the unwanted monopoly created in earlier years.

In all areas of trade the helping family member must be supported in his private trade activity when this activity is justified from the aspect of public supply if he is eligible according to the statute and wants to take over the job of his family member who must stop working because of age or health situation.

If the store offered is not rented by anyone and the enterprise will not operate it, the supervisory organ will require the enterprise to surrender the closed store to the authorities in case it serves primary public needs, or to advertise its availability for private tenants.

If the store's operation and profile is not necessary in the area requested by the applicant, the best thing for the supervisory organ to do is to designate to the qualified applicant another area or profile where there is a need for private trade.

If, on the basis of long-range planning, one can reckon with the establishment of a state or cooperative store in the area specified by the applicant, it is expedient to offer a private vendor's license limited to a specified time period.

9414
CSO: 2500/332

HUNGARY

SLOWER GROWTH RATE IN FOOD INDUSTRY ANALYZED

Budapest FIGYELO in Hungarian 12 Aug 81 p 13

[Article by Dr Laszlo Nemeti: "The Reason for Slower Growth"]

[Text] Hungary is practically self-sufficient in food. Imports, which amount to about 10 percent of the food industry's total production, are products which cannot be produced here because of the country's climate conditions (coffee, cocoa), or which are not produced in sufficient quantities (bear), and are placed in the country's stores for the purpose of increasing selection.

However, emphasizing the responsibility of the food industrial enterprises for the supply is becoming more and more debatable since this to a large extent hinders the independent economic operation of the enterprise and in some cases also hinders bringing decisions advantageous to the enterprise.

The last decade's growth in the food industry also contains the more significant structural changes. Thus, the ratio of processed products increased particularly during the time period of the Fifth Five-Year Plan. The weight of food processing within the total food production increased by 1 percent in the last 5 years, to 44.2 percent. But this ratio is still low, and indicates the small extent of processing Hungarian foods. That is, a modern food production structure has higher than 50 percent processing ratio.

Increasing the extent and improving the quality of processing the agricultural raw materials assumes certain economic ratios between the producing and processing spheres. In this country the ratio of products consumed in raw and processed forms is around 1 to 0.7, while in the capitalist countries with advanced agriculture and food industry this ratio is 1 to 1.5, but even among the socialist countries in the GDR, for example, it is 1 to 1.3 now. In harmony with the standard of living, the growth rate of processing the agricultural products must surpass the growth rate of producing raw agricultural products.

The growth rate considered to be desirable for the food industry improved only slightly during the second half of the decade also, since for one percent growth in agricultural production the food industry's production increased by only about 1.2 percent.

Of course, when such comparison is made between the growth of the food industry and of agriculture, one cannot ignore the foreign trade relationships, the efforts aimed at keeping and expanding the foreign markets, whether our foreign partners want raw or processed products, and how the export profitability indices are developing as a function of this.

What Do They Pay More For?

However, the export profitability considerations by themselves are not always the decisive factors either, since no agricultural exporter will ignore the development of its food industry as well as possible, in order to realize the higher added value incorporated in the processed products.

In addition to the limits on growth opportunities, the reason for domestic processing growing even slower than would be justified is that the processed goods, or their majority are sold on the domestic as well as on the foreign markets unprofitably, due primarily to the rise in packaging and energy costs.

The value judgment of the foreign markets also had a large role in the growth of our food industry falling behind, since the export profitability of raw products is better most of the time. It is worth while noting here that the foreign market prices are generally most favorable for raw materials (for unprocessed products in agriculture), and for products processed at high technological levels.

In the one case we are dealing with realizing the natural, and in the other, the technical monopoly's benefits. The domestic food industry's technical level--with the exception of a few new and modern plants--can be judged average or poorer, thus we are in a disadvantageous situation on the world market primarily because of the low levels of our processing. And the backwardness of the domestic support industries also have a large role in this.

The slow change in the ratio of raw material production to processing, and the slow-down in the food industry's growth rate are creating more tension, not only in food production but also in other areas of the people's economy.

Meat Industry in the Forefront

The food industry's inventory of fixed assets increased by about 200 percent between 1971 and 1980. In spite of this, the manufacturing capacities of several specialized branches did not provide for processing the increasing quantities of agricultural raw materials, on the contrary, the tensions increased in some branches of the industry.

It is typical for the structural changes in the food industry's specialized branches that by the mid-seventies the share of industrial branches producing food industry products of animal origin increased, and that of vegetable origin--primarily the mill industry--decreased. In the first half of the decade the former had a growth rate of 6.2 percent, the latter 3.3 percent.

However, in the second half of the decade the rate of production decreased somewhat in the industries processing raw materials of animal origin, while it increased to a certain extent for those of vegetable origin--primarily as a result of growth in the sugar industry and in the vegetable oil industry. But even so, the differences between the growth rates of the two branches remained significant (6.1 percent, and 3.8 percent, respectively).

The share of the meat, poultry and dairy industry of the total production value was 41.1 percent in 1970, 43 percent in 1975, and increased to 43.5 percent by the end of the decade. It must also be noted here that during this time the direct meat processing activity of the large agricultural operations increased significantly,

and even the AFESZs slaughterhouses [supply] 3.9 percent of our bone-containing raw meat production. Thus in part these slaughterhouses have taken over the domestic supply. The lower transportation costs and fresh merchandise, as well as the greater selection of meat products favorably influenced the economic results of the small producers also. The meat industry and the poultry industry in 1980 took good advantage of the favorable export opportunities.

Even the increasing share of the canning, sugar and vegetable oil industries was unable to counterbalance the decrease in the ratio of the industry's branches which primarily process raw materials of vegetable origin. An increasing portion of the grain produced was exported, or used for fodder. A significant feed blending capacity has been built up in the agricultural operations, which also caused the decrease in the mill industry's production. Today the major agricultural operations handle 24 percent of the blended feed production. The advantages of this manifest themselves in lower transportation costs, and in the better quality and freshness of the blends.

Wine processing must be specially mentioned, where today the wine industry's share is only 42 percent, while the share of the major agricultural operations is 58 percent. The transfer of wine processing into the large agricultural operations gained expression particularly in quality, and in the increase in the selection of wines with regional character. This is an advantage in the domestic supply, as well as in export relationships.

Even though there were some overlaps, or parallel developments in some places in the processing capacities, competition between the enterprises in any case resulted in improvements of supply and quality, increased selection, and to a large extent in increasing the standards of economic operation.

Thus the various growth rates in the individual industrial branches were caused by variations in raw material supply, in processing capacity, in the domestic consumption, and the varying effect of export-import on the individual industrial branches. Further expansion of the capacities can be economically solved by insuring the independence of the enterprises, and with the aid of regional coordination.

8584
CSO: 2500/354

ROMANIA

ECONOMIC GROWTH FACTORS, STATISTICS STUDIED

Bucharest REVISTA ECONOMICA in Romanian No 33 14 Aug 81 pp 6-7

[Article by Angelica M. Vrabie of Galati: "Factors and Characteristics in the Growth Process of the Romanian Economy"]

[Text] As the secretary general of the party pointed out at the Second Congress of the Workers Councils, the victory of the antifascist and antiimperialist, national and social liberation revolution, and then the socialist revolution, led to profound economic-social revolutionary changes in our country. The bourgeois-landowner social order was overthrown and the exploiting class and any form of oppression were forever eliminated. We successfully built the new socialist order. On an economic level, Romania was transformed from an agrarian nation with a poorly developed economy, characterized as primarily agrarian, into a country with a strong industrial-agricultural economy in full development. A new technical-material base was created, with industrial production being approximately 50 times greater than in 1938, the people's spiritual and material standard of living was greatly improved.

Research into this broad process of economic growth, which was intensified after 1965 and especially during the stage of creating a multilaterally developed socialist society, presents, certainly, interest and the understanding of those factors that stimulated it and its characteristics during the different stages it has passed through.

If we identify economic growth with the growth of national income and consider as direct factors of this process the human potential with its two facets (the number of people employed and the efficiency of their use as reflected in the growth of labor productivity) and material potential, which stimulates the dynamics of national income by reducing material production costs within the structure of the social product, it becomes possible to also determine the contribution of these factors.

Calculations show the fact that during the entire 1970-1985 period the growth of the employed population as the country's principal wealth made a predominant contribution, even covering the negative influence of the material production costs in 1980. Social product and national income are created, however, by the workers employed in the area of material production, an area that in recent years has

accounted for over 88 percent of the employed population. In this regard, comrade Nicolae Ceausescu stated: "We must keep in mind that only on the basis of production activities of all the workers will we obtain efficiency and ensure everything that is necessary for the progress of our country and for the completion of the Program of creating a multilaterally developed socialist society."¹

The contribution of the segment of the population directly involved in production to the growth of national income also depends upon the modernization of the structure of this involvement in favor of industrial activities, activities that currently employ 71 percent of the employed population in the country and that will employ 78 percent in 1985. An analysis of the figures on the shares of the branches in the structure of the national income compared to their share in the total number of persons employed shows, according to the data in the last statistical yearbook, that in 1979 the people employed in the non-agrarian branches produced 88.7 percent of the national income. Industry alone contributed 66 percent. The extension into agriculture of those fields based on contemporary technology, irrigation, land improvement, use of chemicals, improvements to plants and animals, animal raising in industrial complexes, development of small industry, the most rapid possible transformation of agriculture into a variant of industry and the firmest possible implementation of all the measures outlined at the Agricultural Congress will allow net production in this branch to increase by 38.6 percent in 1985 compared to 1980, and to correspondingly increase the contribution by agriculture to the growth of national income.

Relying upon a higher rate of growth of the national income (compared to 1970, 70.8 percent in 1975, by 2.44 times in 1980 and by over 3.43 times in 1985) with a relatively reduced rate for the number of persons employed (2 percent, 7 percent and 18.8 percent, respectively, for the same periods) shows the continuing decline in the contribution of the quantitative facet of the workforce, of only 2.8 percent in 1975, 4.9 percent in 1980 and 17.7 percent in 1985, correspondingly increasing the contribution of the qualitative facet of the workforce, which intensified the growth of the dimensions of the national income by over 85 percent during the entire period under analysis. The explanation lies in the fact that technical progress firmly applied in all fields produced profound qualitative changes in working conditions and necessitated personnel with professional training and general education at the level of knowledge offered by contemporary technology. As a result, it becomes even more necessary to improve professional training during the current stage and to move to a new quality in all fields of activity. For that reason, the secretary general of the party, comrade Nicolae Ceausescu recently stressed: "Let it be well understood that without ensuring a continuing improvement in the level of professional and technical training of all personnel we cannot achieve the objective of moving to a new quality in the entire economy and all social life, and we cannot obtain a higher technical level of production."²

One opportunity to reflect, even if only approximately, the role of training the workforce in achieving economic growth is to report the total worker salary fund at 145 billion lei in 1975 and 221.3 billion lei in 1980, with the minimum salary for an unskilled worker at 1,114 lei and 1,425 lei, respectively, for the same years. Calculations show that to produce a national income of 362 billion lei in 1975 and 516.4 billion lei in 1980, it was necessary to employ 13,016,000 and 15,530,000 workers, respectively. In reality, the national income was produced by a workforce of only 10,150,800 and 10,400,000 workers (excluding the influence of other factors), which we can evaluate as being a result of increasing worker qualifications and labor productivity.

The contribution of a higher qualified workforce and the possibilities for applying acquired knowledge depend to a significant degree upon the level of technical equipment used by the labor force. The increase in the technical equipment used by the workforce by 2.27 times during the 1970-1980 period (the relationship between the increase by 2.47 times in the volume of fixed assets and 1.07 times in the number of persons employed) had as an economic result the growth in labor productivity by 2.29 times (the relationship between the increase by 2.243 times in national income and 1.07 times in the number of persons employed). The growth in labor productivity thus contributed to the growth in national income, compared to 1970, of 89.3 percent in 1975, and 95.6 percent in 1980, and will contribute with 85.2 percent in 1985. This evolution means a relative reduction in the contribution from labor productivity compared to the growth of the dimensions of national income. For that reason, comrade Nicolae Ceausescu indicated: "In order to lift us to the level of the developed countries and keeping in mind that in some sectors productivity in Romania is two and even three times less, we must take all the measures and concentrate all our forces to achieve during this five year plan a powerful growth in labor productivity in all the branches of the national economy."³

Taking into consideration the second factor of economic growth, the material potential, we have in mind both the fixed assets and circulating assets, with both being found again in the structure of the social product in the form of material production costs. As a part of the social product, national income becomes larger as material production costs become smaller, which completely justifies the consideration for reducing material costs as an important factor in order to increase national income.

From the need to increase the level of technical equipment used by the workforce, the volume of fixed assets continually increased, reaching 1,870 billion lei at the present time and will reach approximately 3,000 billion lei in 1985, representing 120,000 lei for each inhabitant of the country. Correspondingly, there has also been an increase in the specific consumption of the fixed assets per unit of increase in the national income (calculated through the relationship of the volume of fixed assets at 757 billion lei in 1970 and 1,870 billion lei in 1980, against an increase in national income of 212 billion lei and 516.4 billion lei, respectively)

from 3.57 lei in 1970 to 3.62 lei in 1980. A positive aspect with direct implications upon the growth of national income is that within the framework of fixed assets the portion dealing with production has increased on a priority basis, reaching 71.3 percent in 1979, with industry accounting for over 61 percent.

Similarly, within the framework of fixed production assets, the active portion, of equipment, increased, reaching approximately 48 percent, and accentuated the level of renewing and modernizing these fixed assets, with real positive effects upon the efficiency of this equipment. Currently, 83 percent of the fixed assets in the economy have been put into operation in the last 15 years, while during the last five year plan approximately one-third of the total. If we keep in mind the structure of fixed assets by branch, as is reflected in the data in the last statistical yearbook, the degree in which these assets influenced the growth of national income is shown by the coefficients of dependency calculated through the relationship of the percentage of the branches within the structure of the national income to their percentage in the total amount of fixed assets, with superunified coefficients in construction for the entire 1970-1979 period, while in industry and agriculture only in 1979. This shows that per unit of fixed assets there is an ever greater portion of national income, higher by 1.48 times in construction, 1.36 times in agriculture and 1.34 times in industry.

The growth of national income per leu of fixed assets, that was .34 lei between 1971 and 1975, was at .26 lei during the 1976-1980 five year plan, which denotes the need to intensify efforts to more efficiently use the equipment in the national economy. Comrade Nicolae Ceausescu stated: "We have available the fixed assets capable of satisfying, under good conditions, the demands of economic-social development,"⁴ and "we must use them as we should to ensure that they produce fully and economically."⁵

As a part of the social product, national income becomes larger as costs for labor performed become smaller. The higher and increasing percentage of these costs in the social product (58.8 percent in 1979, compared to 56.9 percent in 1965 and 48.8 percent in 1950) proves, however, that the process of economic growth has required the transformation of an ever greater amount of material resources into finished products (specific material costs per unit of national income was in 1980 1.5 lei compared to 1.38 lei in 1975 and 1.37 lei in 1950). Furthermore, according to the estimates in party documents, for some products the consumption rates are greater by 20 to 30 percent compared to many of the developed countries. This is the source of the conclusion that material resources were not used in the most efficient manner and that their contribution to the growth of national income was still low. In addition, according to calculations we see that due to the material production costs the growth in national income was negatively influenced in 1980 by .5 percent, which equals 1.0328 billion lei. Comrade Nicolae Ceausescu stressed: "We must especially consider the norms for material and energy consumption to be maximum levels and we must take all measures to improve technologies and to redesign and update products on the basis of the smallest possible rates of material consumption."⁶

The coefficients of dependence between the percentage of the national income and that of material costs in the structure of the social product, superunified at the level of the national economy for the entire 1970-1980 period, show that national income was created with higher rates of material consumption. Although for 1980 the coefficient was slightly reduced, it nonetheless remains high. The secretary general of the party, comrade Nicolae Ceausescu referred to this, stressing: "Similarly, it is necessary for us to work fully decisively to better use raw materials and materials and to obtain from one ton of raw materials or materials an amount of production of much greater value."⁷

It is known that the preponderance and characteristics of the factors for increasing national income impart certain traits to the entire process of economic growth. According to the statistical data and the plan provisions the role of the different factors in increasing national income during the period of 1970-1980 for the entire economy, compared to 1950, allows us to see certain trends over time in the process of economic growth in our country.

The Role of Different Factors in Increasing National Income During the Period 1970-1985 Compared to 1950

	Years			
	1970	1975	1980	1985
Role of Labor Productivity	102.4	98.8	99.6	97.2
Role of Number of Employed Persons	3.6	2.3	1.8	1.9
Role of Material Production Costs	- 6.0	- 1.1	- 1.4	.9

Source of the data: For the 1950-1979 period, "The Statistical Yearbook of the Socialist Republic of Romania, 1980, Central Statistical Directorate, pp 96, 97, 112, 113; for the 1980-1985 period, "The Directives of the 12th Party Congress," Politica Publishing House, Bucharest, 1979, pp 18, 45; and the Law for the Approval of the Sole National Economic-Social Development Plan for Romania During the 1981-1985 Period, SCINTEIA, No 12086 of 2 July 1981.

The calculations show that in the entire 1950-1985 period for a growth of 20.63 times over in the national income a predominant contribution (over 97 percent) comes from qualitative facets of the workforce, that is, the efficiency in the form of labor productivity. This shows that certain intensive factors were also operating in our country's economy.

Among the branches of the economy, the greatest contribution to the growth of labor productivity was in agriculture, eliminating the negative influence of two other factors - the reduction in the number of persons employed and the growth

of material production costs. In construction, the contribution of this factor was between 76.4 percent and 84.9 percent, with a relative stability after 1975. In industry, it was constantly over 64 percent, and in transportation and telecommunications the contribution of labor productivity was at the lowest figure, between 47.2 percent and 55.6 percent.

The decline of the role of labor productivity at the level of the entire economy in the structure of the factors for economic growth, from 102.4 percent in 1970 to 97.2 percent in 1985, must also be evaluated in connection with the evolution of the other intensive factor, the reduction of material production costs, in the sense of changing this into an effective factor for increasing national income. We are thinking that while in 1970 material production costs decreased by 6 percent the growth in national income, by 1985, on the contrary, they will be transformed into a factor for increasing growth, with their contribution being .9 percent. This aspect leads to the conclusion that the qualitative facets and intensive factors have been extended during the period of creating a socialist economy so that our production potential will be more and more efficiently used.

The continuing decline of the role of the quantitative factor at the level of the entire economy, with the number of people employed in increasing national income from 3.6 percent in 1970 to 2.3 percent in 1975 and to only 1.9 percent in 1985, strengthens even more the conclusion regarding the stress upon the intensive nature of our economic growth during the current five year plan. Among the material production branches, industry, transportation and telecommunications have had a priority influence upon the general trend. In construction, the maintenance of the contribution of the quantitative factor at a high level has been brought about by the dynamics in the number of persons employed, which is nearly double that in transportation and telecommunications and three to four times greater than in industry. In agriculture, the negative value of the quantitative factor is the result of the massive movement of the rural population towards non-agricultural activities.

In accordance with the Law for the Approval of the Sole National Economic-Social Development Plan for Romania During the 1981-1985 Period, by associating the average annual rate of growth of national income of 6.1 percent, which will bring about a 134.3 percent increase in this income in 1985, with a growth of only 10.6 percent in the number of persons employed, paralleling an increase to 89 percent in the percentage of skilled workers, and with a 5.5 to 6 percent reduction in material production costs on the basis of raising the basic raw materials and energy use indices for the entire industry (calculated on the basis of the value of goods production) by 30 percent and with stress placed upon the other qualitative facets of development, one can arrive at the conclusion that the process of economic growth in our country will take on an intensive nature. Furthermore, as comrade Nicolae Ceausescu stressed at the Second Congress of the Workers Councils "the general characteristic of the plan constitutes the transition from extensive development to an intensive one,⁸ with this taking place precisely by way of a new quality in the economy and all fields of activity.

FOOTNOTES

1. Nicolae Ceausescu, "Speech at the Plenary Session of the Romanian Communist Party Central Committee of 16-17 December 1980," Politica Publishing House, Bucharest, 1980, p 29.
2. Nicolae Ceausescu, Speech regarding the economic-social development of Romania during the 1981-1985 five year plan, the growth of the role of the workers councils and the development of workers socialist democracy in our country, SCINTEIA, No 12080 of 25 June 1981.
3. Nicolae Ceausescu, Idem.
4. Nicolae Ceausescu, Ibidem.
5. Nicolae Ceausescu, "Speech at the Plenary Session of the National Council of the Socialist Unity and Democracy Front of 23 December 1980," Politica Publishing House, Bucharest, 1980, p 14.
6. Nicolae Ceausescu, Speech regarding the economic-social development of Romania during the 1981-1985 five year plan, the growth of the role of the workers councils and the development of workers socialist democracy in our country, SCINTEIA, No 12080 of 25 June 1981.
7. Nicolae Ceausescu, "Speech at the Plenary Session of the National Councils of Workers of 13 June 1980," Politica Publishing House, Bucharest, 1981, p 11.
8. Nicolae Ceausescu, Speech regarding the economic-social development of Romania during the 1981-1985 five year plan, the growth of the role of the workers councils and the development of workers socialist democracy in our country, SCINTEIA, No 12080 of 25 June 1981.

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FOREIGN INVESTMENT IN YUGOSLAVIA DISCUSSED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 20 Jul 81 pp 19-22

[Text] Recently there have been several official announcements that changes can be expected in certain statutes regulating the so-called higher forms of economic cooperation between Yugoslav organizations of associated labor and foreign firms. Just to give some examples, Veselin Djuranovic, chairman of the Federal Executive Council, spoke about this during his visit to West Germany and during meetings with German business executives, and Zvone Dragan, vice chairman of the Federal Executive Council, spoke about it at a press conference for foreign journalists in June and earlier that same month in Dubrovnik at a meeting of Yugoslav and American business executives.

When changes in statutes covering this field are mentioned, the reference is above all to two laws: the Law on Foreign Investment in Yugoslav Organizations of Associated Labor (SLUZBENI LIST SFRJ, No 18, 1978), popularly referred to as the Law on Joint Ventures, and the Law on Long-Term Industrial Cooperation, Business-and-Technical Collaboration and the Acquisition and Granting of Rights to Technology Between Organizations of Associated Labor and Foreign Persons (SLUZBENI LIST, No 40, 1978), referred to in short as the Law on Transfer Technology. In the text below we will therefore be referring only to them.

The Law on Patents was recently passed, so that at present it would be pointless to speak about changes in that law, until experience shows up its weak points and strong points, though there were quite a few objections to the texts of the drafts, and there are criticisms even now of the text as adopted. There are several other statutes (the Law on Sales of Medical Drugs, foreign exchange regulations, etc.) which in the opinion of certain foreign business executives and even certain of our own should be changed, but it is generally thought that they are less important.

The point of departure in an examination of this subject matter is the interest which Yugoslavia has officially confirmed on many occasions in developing forms of economic cooperation such as joint investments, long-term industrial cooperation or transfer of technology. The previous motives for this, such as the contribution to the country's export efforts, or access to the very best technology, are now joined by an interest, especially as far as joint ventures are concerned, in restricting the contracting of foreign indebtedness and in having a portion of additional capital for development come through direct foreign investments.

Yugoslavia's interest goes back a long way and has been manifested in adoption of statutes beginning in the sixties. It can be said that they have in common a characteristic caution, which is understandable when one bears in mind that this was a move into uncharted waters, we had no experience of our own, and there were certain ideological and other burdens to be borne. That accounts for the gradual nature of the granting of various rights and opportunities both to the foreign and also to the domestic partners, on the one hand, combined with a restriction of the rights and powers reserved for government agencies. In other words, we detect a tendency, not always consistent, for ever broader areas to be left to contractual relations between domestic and foreign partners, instead of being regulated by law.

As for joint ventures, Table 1 shows the situation as of 31 December 1980. By comparison with the status 1 year earlier we see that during 1980 only eight new contracts were recorded on joint ventures (three with firms from West Germany, two with firms from Sweden, and one each with firms from Britain, Switzerland and the United States). This is truly very few and seems to support the correctness of the assertion that the new 1978 law did not favor the conclusion of new contracts. Moreover, the table does not show the terms under which the contract was concluded, that is, it does not show whether the clause was applied anywhere which allows for exemption from the provisions of the law if the Federal Committee for Energy and Industry deems it warranted.

Table 1. Investments of Foreign Nationals in Organizations of Associated Labor (contracts and joint ventures) From 1968 to End of December 1980

Region/ Country of Origin	No of Con- tracts	Investments in Dinars				
		National Share	%	Foreign Share	%	Total
EEC	121	24,812,363,145	87.77	4,458,416,282	15.23	29,270,779,327
Federal Re- public of Germany	52	6,943,288,655	86.08	1,123,036,932	13.92	8,065,725,587
Italy	31	3,392,409,832	78.35	937,622,534	21.65	4,330,032,366
France	11	866,940,314	74.93	290,032,057	25.07	1,156,972,371
United Kingdom	12	12,136,297,403	87.22	1,777,852,761	12.78	13,914,132,164
Belgium	6	922,261,960	88.11	124,460,760	11.89	1,046,742,720
Holland	3	160,133,085	67.90	75,690,813	32.10	235,823,898
Luxembourg	4	384,995,631	75.35	125,950,249	24.65	510,945,880
Denmark	2	6,034,265	58.00	4,370,176	42.00	10,404,441
EFTA	33	6,299,583,984	74.70	2,133,756,966	25.30	8,433,340,912
Austria	7	1,537,047,196	85.81	254,189,738	14.19	1,791,236,934
Switzerland	19	4,112,200,663	71.52	1,637,129,778	28.48	5,749,330,403
Sweden	6	550,007,825	71.12	223,353,950	28.88	773,361,775
Finland	1	100,328,300	83.95	19,183,500	16.05	119,511,800
CEMA	2	219,500,000	52.59	197,900,000	47.41	417,400,000
Czechoslo- vakia	1	75,200,000	55.79	59,600,000	44.21	134,800,000

Table 1 (continued)

Region/ Country of Origin	No of Con- tracts	Investments in Dinars				
		National Share	%	Foreign Share	%	Total
German Dem- ocratic Republic	1	144,300,000	51.06	138,300,000	48.94	282,600,000
Developing countries	1	175,680,000	80.00	43,920,000	20.00	219,600,000
India	1	175,680,000	80.00	43,920,000	20.00	219,600,000
Other re- gions	42	7,533,799,037	68.71	3,430,478,837	31.29	10,964,277,874
United States	30	7,259,362,147	68.31	3,368,043,499	31.69	10,627,405,646
Canada	1	25,125,000	75.00	8,375,000	25.00	33,500,000
Lichten- stein	8	235,119,657	85.19	40,887,067	14.81	276,006,724
San Marino	1	6,869,753	53.00	6,092,047	47.00	12,961,800
Panama	2	7,322,480	50.83	7,081,224	49.17	14,403,704
	199	39,040,926,166	79.26	10,264,472,085	20.74	49,255,398,213

Source: Federal Committee for Energy and Industry.

Table 2. Distribution of Foreign Investments by Sectors*

<u>Economic Activity</u>	<u>No of Contracts</u>	<u>Investments, in millions of dinars</u>		<u>Foreign Invest- ment in Sector Relative to To- tal Foreign In- vestment, %</u>
		<u>Total</u>	<u>Foreign In- vestment Alone</u>	
1968-1980				
1. Chemical industry	27	5,843	2,503	24.7
2. Metals industry (metal manufacturing)	17	2,269	495	4.9
3. Wood and paper industry	8	3,094	442	4.4
4. Metals industry (products of nonferrous and ferrous metallurgy)	12	22,218	2,958	29.2
5. Food manufacturing indus- try	17	2,577	553	5.5
6. Transportation equipment industry	17	5,860	1,753	17.3
7. Power machines and appli- ances	14	1,395	234	2.3
8. Natural rubber	8	2,178	597	5.9

Table 2 (continued)

Economic Activity	No of Contracts	Investments, in millions of dinars		Foreign Invest- ment in Sector Relative to To- tal Foreign In- vestment, %
		Total	Foreign In- vestment Alone	
9. Miscellaneous	44	1,137	591	5.8
Total	164	46,532	10,126	100.0
1976-1980				
1. Chemical industry	10	4,293	1,987	25.1
2. Metals industry (metal manufacturing)	7	1,871	356	4.5
3. Wood and paper industry	5	736	241	3.0
4. Metals industry (products of nonferrous and ferrous metallurgy)	7	16,427	2,724	34.5
5. Food manufacturing indus- try	10	2,210	441	5.6
6. Transportation equipment industry	8	3,807	1,206	15.2
7. Power machines and appli- ances	6	527	162	2.0
8. Natural rubber	4	1,367	337	4.2
9. Miscellaneous	18	902	476	6.0
Total	75	32,145	7,930	100.0

* Not including contracts which have expired.

Source: Communication of the Federal Committee for Energy and Industry to OECD.

Table 2 shows the number of contracts on joint investments still in force by industries. Of the eight new contracts which we said were registered in 1980, three were in the metal manufacturing industry, two each in metals production and the food manufacturing industry, and one in the chemical industry. Not a single new contract was recorded in the other industries.

The situation is certainly unsatisfactory and justifies the intention to make investments in Yugoslavia more attractive to foreigners by amending the laws. The question is what should be changed and how long this will take. The first suggestions have already been made in the Yugoslav Economic Chamber (section for the United States), and the Federal Executive Council formed a group 2 months ago which is working on this, but if the effort continues at the present rate, there is reason to fear that a great deal of time will be lost.

OECD Suggestions

Foreigners--diplomatic missions and representative offices of business firms, business associations, certain firms, and so on--have made a number of oral and written criticisms and suggestions about what in their opinion should be changed and about what solutions would be most acceptable to them. This has also been done by international organizations such as the Organization for Economic Cooperation and Development--OECD (which will soon bring out a new publication on foreign investments in Yugoslavia similar to its publication under the same title in 1974), the European Economic Community, and so on.

OECD, for example, feels that several provisions of the Law on Joint Ventures might be amended, supplemented or abolished, without this infringing on the basic laws of Yugoslavia nor detrimentally affecting its economic interests. What is more, this would result in more foreign investments. In the first place, the restrictions on the transfer of profit (Articles 23-25) should be abolished; in the opinion of OECD, this would result in very low expenditures of foreign exchange compared to the deficit in the balance of payments. To continue, restrictions on the right to liquidate the joint venture should also be abolished (Article 12). This ought to be left to the interested parties, and mandatory prior notice might possibly be prescribed. The OECD also feels that putting a limit on the rate of profit (Article 19) is a measure which could result in distortion of business behavior and could have a negative effect on the profitability of business operation. "Under the specific conditions of the Yugoslav regime, this setting of the rate of profit in advance, which severely punishes only the foreign investor for mistakes in evaluation, certainly acts as a disincentive on foreign investors."

The OECD also relates foreign investments to the new law on transfer of technology, though the connection is only indirect, feeling that its provisions might be a source of problems in the sense that investors might be led to doubt the readiness of the Yugoslav authorities to be concerned about the interests of the contracting parties and to protect them. The OECD argues that the provisions on the transfer of profit and proceeds from liquidation and on repatriation of capital might be derogated (Articles 33-35) by enforcement of the regulations of the Law on Foreign Exchange Transactions and Credit Relations With Foreign Countries, that is, by its Article 177, which envisages measures temporarily restricting international payments, though mention is made that this has not been invoked to date.

Finally, the OECD also mentions restriction of the foreign investor's share to 49 percent (room being left for exceptions) as a hindrance, though not a large one, since it says that the average share of foreign partners is about 20 percent. It nevertheless believes that the average would be higher if it were not for the 49-percent limit.

Members of the EEC have by and large agreed on the objections which they have. They object to the fact that the Law on Joint Ventures does not entitle the investor to make decisions in the management field and that the joint business board must in any case follow the decisions of the bodies of self-management (Article 16). The objection to Article 17 is that it provides that the foreign

investor may not have a permanent share in the profit, but rather this share terminates when he is paid the value of the capital he has invested or when the contract on the joint venture expires. "Thus in a sound enterprise the foreign investor will be paid rather quickly and kicked out."

The objection to Article 19 has to do with prescribing the maximum allowed profit of the foreign investor, which is utterly inconsistent with the idea of investing capital in an undertaking that involves a risk. On the other hand no restriction is put on his share in covering losses. There is criticism of the provision of Article 23, under which the foreign investor can reinvest only convertible currencies. Members of the EEC also criticize the provision of the Law on Foreign Exchange Transactions ... (Article 134) under which the foreign investor can transfer in foreign exchange his share of the profit only if it has been earned by exporting, and in most of the republics this is further limited to half of the amount which the joint venture has realized through exports. This, representatives of these countries argue, then stands in the way of import substitution, exports to markets in the nonconvertible area, etc.

In a letter to the chairman of the Federal Committee for Energy and Industry the United States-Yugoslavia Business Council stated objections in November 1980 to several articles of the Law on Joint Ventures and suggestions on how they should be amended. It felt that Article 19 (setting the maximum on profit) would best be omitted, since it is not likely that a Yugoslav organization would sign a contract with a foreign partner that would allow the latter excessive profit. Should the article not be abolished, its adverse effect might be mitigated if provisions were incorporated whereby profit rates would be examined over a longer period of time, since a joint venture could have losses in the first year, while the later profit might be higher and the envisaged profit would therefore be obtained as an average. It is also proposed that the base on which profit is computed be increased to keep pace with inflation.

The objection is made to Article 23, Paragraph 2, that it does not stimulate the reinvestment of profit, since it provides that only the proceeds from exports are to be reinvested. It is proposed that possible sublegal regulations could make it possible to reinvest both the foreign exchange portion and also the dinar portion of profit. It is also proposed that since the mechanism for reinvestment is not clear the law provide that it be permitted if the partners so agree and if this is envisaged by the original contract on the joint venture or an annex to the contract.

It is said of Article 42 that it represents an important unutilized area for potential cooperation, since it provides that under certain conditions the Federal Executive Council may approve joint ventures which are not oriented toward export. The council sees here broad opportunities for import substitution, of manufacturing materials above all. But if investments are to be attracted, it proposes that the Federal Executive Council publish guidelines in advance on which projects will be given serious consideration.

Finally, there is objection to the clarification offered by "certain segments of the government" to the effect that only the partner's own capital may be a source of financing of a joint venture, and that credit granted to the joint

enterprise does not so qualify. Or that the partners are responsible for guaranteeing or repaying credit in proportion to their share in the capital. This would considerably augment the investor's risk and run counter to customary practice in the world, and it warns that adoption of such ideas would threaten an inflow of investments from the United States.

Similar objections can be heard from Austrian sources. In connection with the obligation to limit the transfer of profit solely to the income from exports, it asks what real influence the foreign investor has on the exports of the joint enterprise? And further, how in any case is the foreign partner to know how large exports are, since the exports may go through him, but need not, so that it all comes down to trust? As for putting a maximum on the rate of profit, the comment made by one potential Austrian investor is that if the joint undertaking performs better than that, it will be penalized.

Similar objections are also contained in many other documents available to us, among them certain analytical papers by individual scientists. Though they contain certain other details and more extensive explanations which potential foreign investors and their legal advisers take very seriously, we will not speak about them here.

On Transfer of Technology

As for the Law on Transfer of Technology, the main objections pertain to its Articles 24 and 37. Thus members of the EEC have objections to five subparagraphs of Article 24. They find no justification for the provision of Subparagraph 4, to the effect that the seller of the technology must give the purchaser information on all improvements and make those improvements available to him, since this diminishes the seller's interest in even concluding a contract that would entail such obligations. The same applies to Subparagraph 5, under which the seller of technology must guarantee delivery of raw materials, manufacturing materials, spare parts and equipment, while the customer has no obligation to obtain supplies from him. It is felt that this is an unequal contract, since the seller can keep in inventories and finance goods without knowing whether the buyer of his technology will request them at some moment.

There is also trouble with Subparagraph 6 of Article 24, which provides the responsibility of the seller of the technology for the results envisaged by the contract, though he has no insight into whether his instructions are being followed and the manner in which they are being followed. The situation is similar with Subparagraphs 7 and 8 of the same article, which envisage a guarantee from the seller of the technology that harmful consequences will not ensue from its application, that is, a guarantee that he will compensate possible damage.

The EEC also has objections to several provisions of Article 37. These countries feel that it is not clear whether the protected mark (trademark and service mark) is a portion of the technology. This especially applies to Subparagraph 2 of that article. Moreover, it is felt that the provision of Subparagraph 5, prohibiting restriction of the Yugoslav organization from using the technology it has purchased and selling the products or services after the contract expires [sic], since it discourages the owner of the technology from granting it to Yugoslav organizations.

There are two objections which can be made to Subparagraph 7, under which restrictions may not be imposed on the Yugoslav organization with respect to the purchase or use of raw materials, manufacturing materials, parts and equipment. One has already been mentioned (the Yugoslav organization's right to buy where it wishes, but the obligation of the seller of technology to furnish it whenever it is sought), and the second is that the seller of the technology must be certain, if he is to bear a series of liabilities, of the quality of the raw materials being incorporated into the product for which he is liable and in whose quality he is interested even aside from all liability, since he is interested in his own reputation. Finally, it is felt that the very prohibition against restricting exports to certain countries, as formulated in Subparagraph 10, is not in the best interest of the contracting parties.

The Americans (the United States-Yugoslavia Business Council we have mentioned) propose that Article 24 refrain altogether from a detailed enumeration of all the possible cases in which a contract will not be approved and that this be replaced by a provision under which the fact of approval or registration by the Federal Committee for Energy and Industry is regarded as a final decision that the contract conform to Article 24.

Objections have also been made to individual subparagraphs of Article 24. For instance, a formulation is proposed for Subparagraph 7 (on the seller's guarantee that application of his technology will not have harmful consequences): "... the foreign person's guarantee over the life of the contract that the use (application) of the technology, if it conforms to the contract and instructions of the seller of the technology, will not have harmful consequences...." A formulation is also proposed for Subparagraph 8: "... guarantee of the seller of the technology that he will compensate users or third parties for loss resulting from defects in the technology in cases when the technology has been used during the life of the contract in conformity with the contract and the instructions given by the seller of the technology...." This means that the person suing for compensation of a loss must prove that the technology is defective.

The objection to Subparagraph 5 of Article 24 is identical to the one made by the EEC and is also related to Subparagraph 7 and Article 37. It is proposed that the language of Subparagraph 5 of Article 24 be softened and that instead of the absolute obligation of the seller of technology to deliver raw materials and other things to the customer, it state that he issue a guarantee that he will endeavor as best he can to deliver or make provision for delivery of raw materials, and so on.

The proposal is also made for new language in Subparagraph 4 of Article 24, under which the seller of the technology would not have to give all improvements to the customer without payment, but would only be required to offer them to him, but the two parties would agree on the price, but it could not be less favorable than the one which the grantor of the license has offered to others. There is also an objection to Subparagraph 10 of Article 24, which pertains to respecting the secrecy of information for 3 years after the expiration of the contract. The Americans feel that certain technology ages rapidly, while other technology, especially manufacturing technology which shows how to make a product in the cheapest way, does not go out of date for a long time. For that

reason a potential licensor will not conclude a contract under the conditions required by the Yugoslav law, or will conclude it over a much longer period of time than he would otherwise do. The following language is therefore proposed for Subparagraph 10: "A guarantee of the contracting parties that information furnished in confidence during the negotiations and during the life of the contract will be regarded as a trade secret until such information becomes public property; upon expiration of the contract the recipient of the technology shall have the right to such information for his own use, but he shall not pass on such information to third parties."

The Purpose of the Trademark

The Americans are also in a quandary about the application of Article 37 to trademarks, i.e., as to whether they are covered by the word "technology," say, in Subparagraphs 1 and 8. They feel that they should not be so covered, since if they were, the licensee could alter the mark or use it for products manufactured according to another or altered technology, and that would be contrary to the purpose of the existence of trademarks, which indicate to the customer good consistent structure or quality. They also feel that if "technology" does cover the trademark, Subparagraph 5 of Article 37 would imply the licensee's freedom to use it even after the license expires. For all these reasons it is proposed that Article 37 state that "technology" does not include trademarks, unless it is explicitly so stated, as it is in Subparagraph 9.

The first part of Subparagraph 2 of Article 37 is interpreted to mean that the domestic organization is forbidden to allow the licensor the right to protect his own trademark in Yugoslavia. It is said that this is unacceptable for licensors, and it is proposed that the law leave it to the contracting parties to decide who shall have the right to protect the trademark in Yugoslavia. It is also proposed that the provision of Subparagraph 4 of Article 37 not apply to trademarks.

Finally, the Americans feel that Subparagraph 7 of Article 37 is too rigid (the reader will recall that it provides that the buyer of technology may not be restricted from obtaining raw materials, manufacturing materials, spare parts and equipment from third parties). They say that while certain raw materials can be fully described in specifications, others--certain parts of aircraft, active ingredients in the case of pharmaceutical products, and chemical catalysts--cannot. This especially applies if a Yugoslav organization wishes to use the trademark of the licensor. The latter will either demand that he monitor the quality of such a product or will refuse to sell the license to the trademark. It therefore proposes that the law leave it to the contracting parties to state in the contract that the licensee in Yugoslavia will purchase from the licensor certain raw materials or components when the two of them and the Federal Committee agree that inspection of quality has essential importance to the proper functioning of the technology or effectiveness of the products.

Austrian sources by and large make the same objections as those already cited. They have in addition one very major one which pertains to the provision that the foreign exchange realized by exporting products and parts on the basis of a contract on long-term industrial cooperation may altogether be used to import

products or parts on the basis of that contract (Article 47), while regulations applicable to regular exports and imports apply to exports and imports beyond that period.

The question is what will happen at the very outset of production, during the period that the facility is being brought up to capacity? For example, the contract between Pobeda and Stayr provides that the ratio 1:1 will be attained in 4 years. But up until that time? The way out, in the opinion of the Austrian business executives, is to make it possible for the Yugoslav organization to import in this early phase under the regime envisaged for products covered by industrial cooperation even over and above the value of its exports, this to be made up for in the later phase.

Proposals of the "Working Group"

This will conclude our survey of the objections and suggestions from abroad. As for the proposals from within the country, there are quite a few of them, but most have not been altogether formulated, or they are not accessible to the public. Though one working group has offered its proposal for amending the law on transfer of technology in the mechanism of the economic chambers. It feels that no general or substantial changes are necessary, but mainly improvements of particular provisions which, often in the very first context, dampen the interest of foreign partners in transfer of technology to Yugoslavia altogether, and above all the most up-to-date and sensitive technology. The working group agrees with the proposal of the United States-Yugoslavia Business Council on the language of Subparagraph 10 of Article 24 on protecting the secrecy of information, and it refers in this connection to the recommendation of UNIDO [United Nations Industrial Development Organization].

The working group also agrees with the objections about including the trademark in the "material right to technology" (Article 37--various subparagraphs), feeling that this causes confusion and that in practice it is impossible that provisions dealing with the application, improvement and addition to technology also apply to the trademark and the service mark. It therefore proposes that the applicability of these provisions to the trademark and the service mark be excepted.

It goes on to say that the prescription of Article 37, Subparagraph [number omitted, but Subparagraph 2 is apparently referred to--translator's note] is altogether unclear and incomprehensible. The question arises how the recipient of the technology could get into a situation where the organization granting the technology leaves legal protection to him, i.e., [protection of] a patent which he himself does not have, but which can only be possessed by the organization granting the technology? The working group proposes that this subparagraph either be eliminated or given some meaning.

Most of the problems in concluding contracts, the working group feels, are created by Subparagraph 10 of Article 37, which prohibits any sort of restriction of the Yugoslav organization's right to export except to the countries in which the organization granting the technology has his own production operation or has granted an exclusive license for manufacturing to a third party. The working

group feels that this provision must be softened so as to be more mindful of countries in which the organization granting the technology has already granted to a third party an exclusive sales license or has other legitimate commercial interests. The group says: "with respect to this or certain other provisions of the Law it would be more useful for the Law to offer principles and a mode of regulation, rather than to prescribe a mandatory content of the contract. In such a case the competent registering agency could evaluate with more flexibility the extent to which these principles have been realized."

Table 3. Regional Distribution of Joint Investment Projects From 1968 to the End of December 1980*

<u>Republics and Provinces</u>	<u>No of Contracts</u>	<u>Investments, in millions of dinars</u>		
		<u>Total</u>	<u>Yugoslav Capital</u>	<u>Foreign Capital</u>
Yugoslavia	164	46,532	36,406	10,126
Bosnia-Hercegovina	28	4,708	3,433	1,275
Montenegro	3	987	853	134
Croatia	31	6,067	3,617	2,450
Macedonia	6	1,291	1,119	1,171
Slovenia	39	4,903	3,834	1,069
Serbia proper	42	25,859	21,627	4,233
Vojvodina	13	2,095	1,523	618
Kosovo	2	622	450	172

* Not including contracts which have expired.

Source: Communication of the Federal Committee for Energy and Industry to OECD.

Finally, the working group finds on its own initiative that there is no need for the provision of Subparagraph 4 [should be "Paragraph 4"] of Article 35, which, along with many certifying statements which are sought, also requires a report from the Federal Bureau of Patents concerning the condition of engineering and technology in the world which can be applied to the production which would commence after the technology is acquired.... The Federal Bureau may issue certificates on patented products, which today represent only a small portion of technological development. All the rest are technologies which are unprotected, but are secret. For these and other reasons, the working group finds, this provision is superfluous, since it is not clear how the Federal Bureau of Patents can furnish competent opinions on the state of engineering and technology in the world.

It is certain that opening up public discussion on amendments of the two laws we have been discussing here would offer an occasion for many of our theoreticians and practitioners to express their opinion. The more open and frank the discussion, the faster the optimum solutions will be arrived at. Our recent bad experience with certain statutes which were not handled in this way should be a lesson to us.

7045

CSO: 2800/330

FINAL ACCOUNT OF 1980 FEDERAL BUDGET EXPENDITURES

Belgrade SLUZHBI LIST SFRJ in Serbo-Croatian No 42, 31 Jul 81 pp 1061-1110

[Final account of 1980 Federal Budget adopted by the SFRY Assembly in a session of the Federal Chamber on 15 July 1981]

[Text] I. General Section

Article 1

Actual revenues and the actual distribution of revenues in 1980 were as follows:

- | | |
|--|---------------------------|
| 1. Sum total of revenues collected according to the balance sheet of the Federal Budget | 131,897,873,505.07 dinars |
| 2. Sum total of actual distribution of revenues according to the balance sheet of the Federal Budget | 132,024,419,050.57 dinars |
| 3. Outstanding obligations | 126,545,545.50 dinars |

Article 2

The outstanding obligations under the Federal Budget for 1980, which are to the Federal Secretariat for National Defense and pertain to the financing, development and modernization of the Yugoslav People's Army, in the amount of 126,545,545.50 dinars, shall be paid out of the Permanent Federal Budget Reserve.

Article 3

A survey of revenues as anticipated and collected and of expenditures as anticipated and made according to the Balance Sheet of the Federal Budget for 1980 follows:

I. Revenues

Classification Number	Revenue
Form 1	Revenue
Form 2	Sub-form

		Revenues 3	Anticipated in Budget 4	Anticipated in Rebalanced Budget 5	Actual 6
Type 03. Turnover Tax on Products					
03-1	Basic turnover tax on products		48,859,000,000.00	47,870,000,000.00	47,399,837,870.74
03-1-1	Portion of the basic turnover tax on products		48,859,000,000.00	47,870,000,000.00	47,399,837,870.74
	Total Type 03		48,859,000,000.00	47,870,000,000.00	47,399,837,870.74
Type 05. Fees					
05-1	Administrative fees		153,500,000.00	302,300,000.00	229,692,265.29
05-1-1	Consular fees		84,300,000.00	233,600,000.00	182,516,272.99
05-1-2	Customs fees		62,700,000.00	62,700,000.00	42,566,879.60
05-1-3	Other federal administrative fees		6,500,000.00	6,500,000.00	4,609,112.70
05-3	Court fees		1,200,000.00	1,200,000.00	67,127.80
	Total Type 05		154,700,000.00	304,000,000.00	229,759,393.09
Type 06. Customs Duties and Charges					
06-1	Customs duties		13,572,000,000.00	13,572,000,000.00	10,618,025,330.25

I. Revenues (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
06-2	Special import charges and fees and storage charges		17,019,000,000.00	6,818,000,000.00	10,076,435,341.10
06-2-2	Special charge to equalize the tax burden on imported goods		6,062,500,000.00	2,090,000,000.00	4,961,793,598.80
06-2-3	Special charge for the keeping of customs records		1,106,800,000.00	1,106,800,000.00	1,056,943,777.55
06-2-4	Special fee on imported goods		9,800,200,000.00	3,571,700,000.00	4,055,521,902.00
06-2-5	Storage charges on goods stored in customs warehouses		49,500,000.00	49,500,000.00	2,176,062.75
	Total Type 06		30,591,000,000.00	20,390,000,000.00	20,694,460,671.35
07-2	Type 07. Revenues Under Specific Federal Enactments, Revenues of Federal Bodies, Agencies and Organizations, and Miscellaneous Revenues		1,654,600,000.00	1,704,600,000.00	1,874,174,217.18
07-2-1	Revenues of federal bodies, agencies and organizations		1,654,600,000.00	1,704,600,000.00	1,874,174,217.18
07-4	Miscellaneous revenues		913,800,000.00	996,400,000.00	686,041,352.71
	Total Type 07		2,568,400,000.00	2,701,000,000.00	2,560,215,569.89

I. Revenues (continued)

1	2	3	4	5	6
		Type 08. Revenues From Other Sociopolitical Communities			
08-1		Contributions of the re- publics and autonomous provinces	36,914,500,000.00	38,469,500,000.00	38,469,500,000.00
08-1-1		Contribution of the So- cialist Republic of Bosnia-Herzegovina	4,763,900,000.00	4,961,800,000.00	4,961,800,000.00
08-1-2		Contribution of the So- cialist Republic of Macedonia	2,096,800,000.00	2,186,200,000.00	2,186,200,000.00
08-1-3		Contribution of the So- cialist Republic of Slovenia	6,110,600,000.00	6,370,600,000.00	6,370,600,000.00
08-1-4		Contribution of the So- cialist Republic of Serbia, not including autonomous provinces	8,938,000,000.00	9,319,900,000.00	9,319,900,000.00
08-1-5		Contribution of the So- cialist Republic of Croatia	10,011,700,000.00	10,428,600,000.00	10,428,600,000.00
08-1-6		Contribution of the So- cialist Republic of Montenegro	701,500,000.00	728,500,000.00	728,500,000.00
08-1-7		Contribution of the So- cialist Autonomous Prov- ince of Vojvodina	4,145,000,000.00	4,320,900,000.00	4,320,900,000.00
08-1-8		Contribution of the So- cialist Autonomous Prov- ince of Kosovo	146,200,000.00	153,000,000.00	153,000,000.00
		Total Type 08	36,914,500,000.00	38,469,500,000.00	38,469,500,000.00

I. Revenues (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	Type 09. Loan Credits and Exemptions and Other Resources of the Current Year				
09-5	Credits taken		9,200,000,000.00	22,544,100,000.00	22,544,100,000.00
09-5-1	Resources of the Yugoslav National Bank		9,200,000,000.00	9,200,000,000.00	9,200,000,000.00
09-5-2	Federal bonds			13,344,100,000.00	13,344,100,000.00
	Total Type 09		9,200,000,000.00	22,544,100,000.00	22,544,100,000.00
	Total revenues for distribution (Types 01-09)		128,287,600,000.00	132,278,600,000.00	131,897,873,505.07

II. Distribution of Revenues

Classification Number	Distribution of Revenues	Anticipated in Budget	Anticipated in Rebalanced Budget and Other Adjustments	Actual
<u>1</u>	<u>2</u>	<u>4</u>	<u>5</u>	<u>6</u>
01-1	Basic Purpose 01. Funds for Operation of Administrative Agencies			
	Funds which workers realize as the income of the work community	3,271,270,250.00	3,939,804,658.00	3,939,403,405.00

II. Distribution of Revenues (continued)

1	2	3	4	5	6
	01-1-1	Funds for personal incomes			
	01-1-2	Funds for community consumption	3,146,190,250.00	3,741,138,882.00	3,704,787,546.00
01-2		Funds for material costs	125,080,000.00	198,665,776.00	198,615,859.00
01-3		Funds for special purposes	286,944,460.00	325,304,855.55	322,730,629.56
			6,128,918,290.00	6,156,778,162.45	6,043,397,151.56
	01-3-1	Funds for personal incomes and other personal benefits of officials and delegates	296,029,300.00	350,566,971.00	344,770,458.05
	01-3-2	Other special purposes	2,053,477,330.00	1,916,546,525.35	1,837,098,062.06
	01-3-3	Funds for general public purposes	2,760,111,660.00	2,870,364,666.10	2,849,093,430.10
	01-3-4	Current financing of federal directorates for commodity reserves	1,019,300,000.00	1,019,300,000.00	1,012,435,201.35
01-4		Noneconomic investments and equipment	2,200,967,000.00	1,969,797,100.00	1,986,667,100.00
		Total Basic Purpose 01	11,888,100,000.00	12,391,684,776.00	12,272,188,286.12
		Basic Purpose 02. National Defense and Social Self-Protection			
02-1		Funds for the Yugoslav People's Army	73,597,800,000.00	76,275,800,000.00	76,275,686,906.55

II. Distribution of Revenues (continued)

1	2	3	4	5	6
02-1-1	Funds for the Yugoslav People's Army in the current year		72,677,800,000.00	75,355,800,000.00	75,355,800,000.00
02-1-2	Funds to cover expenses related to the rendering of services for entities outside the YPA		920,000,000.00	920,000,000.00	919,886,906.55
	Total Basic Purpose 02		73,597,800,000.00	76,275,800,000.00	76,275,636,906.55
	Basic Purpose 04. Funds Transferred to Other Sociopolitical Communities				
04-2	Supplemental funds		13,833,900,000.00	14,333,900,000.00	14,258,024,060.00
04-2-1	Supplemental funds to the budgets of republics and autonomous provinces		10,871,300,000.00	10,871,300,000.00	10,871,300,000.00
04-2-2	Special supplemental funds to the budgets of republics and autonomous provinces		2,962,600,000.00	3,462,600,000.00	3,386,724,060.00
	Total Basic Purpose 04		13,833,900,000.00	14,333,900,000.00	14,258,024,060.00

$$\begin{array}{r} 3 \\ 2 \\ \hline 5 \\ 6 \\ \hline \end{array}$$
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II. Distribution of Revenues (continued)

	1	2	3	4	5	6
07-2						
Current budget reserve				228,900,000.00	312,098,224.00	276,153,973.65
Total Basic Purpose 07				464,600,000.00	547,798,224.00	511,853,973.65
Basic Purpose 08.						
Funds Placed in Time						
Deposits and Set						
Aside, Obligations						
and Other Purposes of						
Interest to the Fed-						
eration						
08-4						
Obligations under						
credits				3,651,400,000.00	2,995,400,000.00	2,993,718,972.25
08-4-2						
Other obligations car-						
ried over from past				3,651,400,000.00	2,995,400,000.00	2,993,718,972.25
years						
Total Basic Purpose 08				3,651,400,000.00	2,995,400,000.00	2,993,718,972.25
Total distributed and						
unassigned revenues				128,287,600,000.00	132,278,600,000.00	132,024,419,050.57

II. Detailed Section

Article 4

The anticipated and actual revenues of the Federal Budget for 1980 are as follows:

1. Total anticipated revenues	132,278,600,000.00 dinars
2. Total actual revenues	132,024,419,050.57 dinars

Article 5

A survey of the anticipated and actual distribution among those disbursing and using the funds, the distribution by purposes, and an item-by-item survey by distribution groups and distribution sub-groups are given below:

Item No.	Distribution Group or Subgroup	Basic and Detailed Purpose	Anticipated in Budget	Anticipated in Rebalanced Budget and Subsequent Adjustments in Budget (transfers from one accounting item to another)	Actual
			4	5	6

Section 1. State Presidency of the Socialist Federal Republic of Yugoslavia

Basic Purpose 01--Funds for Operation of Administrative Agencies

1	01-1-1	Funds for personal incomes of personnel	15,421,870	18,775,093.00	18,775,093.00
2	01-2	Funds for material costs	200,000	250,000.00	220,429.70

Article 5 (continued)

1	2	3	4	5	6
3	01-3-2	Funds for personal incomes and other personal benefits of officials	17,609,920	23,472,282.00	23,166,115.70
4	01-3-2	Funds for personal incomes of miscellaneous personnel	2,212,720	2,868,023.00	2,823,800.50
5	01-3-2	Compensation for separation from family	450,000	420,000.00	419,740.00
6	01-3-2	Traveling expenses	1,500,000	1,200,432.00	1,112,874.50
7	01-3-2	Office supplies	300,000	400,000.00	393,144.75
8	01-3-2	Postage and telegraph and telephone service	550,000	550,000.00	549,948.60
9	01-3-2	Public relations	800,000	552,810.00	627,141.05
10	01-3-2	Trips and visits	14,300,000	14,300,000.00	11,051,225.20
11	01-3-2	Remuneration of nonstaff personnel	100,000	43,072.00	39,771.65
12	01-3-2	Subscription to official gazettes, magazines and newspapers	500,000	500,000.00	397,714.10
13	01-3-2	Costs of manufacturing medals and decorations	8,500,000	12,600,265.00	12,593,243.25
14	01-3-2	Costs of services	40,000	17,000.00	13,814.70
15	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	502,000	525,000.00	523,538.55
16	01-3-2	Funds to purchase uniforms and work clothes	30,000	42,000.00	37,330.00
17	01-3-2	Addition to equipment and furnishings	700,000	570,000.00	517,258.20
18	01-3-2	Expenses of the Federal Council for the protection of constitutional order	80,000	68,000.00	62,272.60
19	01-3-2	Expenses of the National Defense Council	55,000	65,000.00	60,774.75
Total Basic Purpose 01			63,851,510	77,218,977.00	73,285,230.80

Article 5 (continued)

1	2	3	4	5	6
Total Section 1 (Items 1 through 19)					
			63,851,510	77,218,977.00	73,285,230.80
Section 2. SFRY Assembly					
Title 1. SFRY Assembly					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
20	01-1-1	Funds for personal incomes of personnel			
21	01-2	Funds for material costs	109,593,180	131,195,624.00	131,195,624.00
22	01-3-2	Funds for personal incomes and other personal benefits of officials	250,000	250,000.00	250,000.00
23	01-3-2	Postage and telegraph and telephone service	101,472,000	110,101,402.00	107,937,253.00
24	01-3-2	Compensation for overtime	4,335,500	5,535,500.00	5,467,853.60
25	01-3-2	Remuneration of nonstaff personnel	7,200,000	4,720,000.00	4,719,917.15
26	01-3-2	Operating expenses of delegations and assembly bodies	2,000,000	1,600,000.00	1,594,546.40
27	01-3-2	Purchase of domestic and foreign books	30,000,000	30,000,000.00	24,301,969.90
28	01-3-2	Subscription to official gazettes, bulletins and magazines	330,000	97,000.00	84,908.50
29	01-3-2	Publication of transcripts	1,200,000	1,026,000.00	918,118.70
30	01-3-2	Preparation of publications of the SFRY Assembly, reports, bulletins and other assembly materials	7,000,000	2,060,000.00	613,570.00
			8,000,000	5,016,000.00	3,942,404.15

Article 5 (continued)

1	2	3	4	5	6
31	01-3-2	Expenses of parliamentary delegations	8,600,000	4,453,000.00	3,833,088.95
32	01-3-2	Public relations	826,000	660,800.00	532,602.10
33	01-3-2	Purchase of clothing and footwear	800,000	640,000.00	516,242.80
34	01-3-2	Membership dues in the Inter-parliamentary Union	450,000	450,000.00	433,581.35
35	01-3-2	Services rendered by others	400,000	368,000.00	240,907.20
36	01-3-2	Costs of maintaining the motor pool	6,000,000	7,000,000.00	6,973,751.95
37	01-3-2	Print shop expenses	4,125,000	4,125,000.00	4,122,760.80
38	01-3-2	Purchase of equipment	16,000,000	23,980,000.00	23,138,065.50
39	01-3-2	Share in preservation of the main museum layout of the Museum of the First and Second Session of AVNOJ [Antifascist Council for the National Liberation of Yugoslavia]	1,800,000	1,800,000.00	1,800,000.00
40	01-3-2	Preparation of topic reports, analyses and studies	1,000,000	200,000.00	160,000.00
41	01-3-2	Office supplies, petty supply items, paper and other expendable materials	8,000,000	8,340,000.00	8,129,676.90
42	01-3-2	Expenses of the Commission of the Federal Chamber of the SFNY Assembly for Preparation of the Law on Basic Rights Under Old-Age and Disability Insurance	3,000,000	625,000.00	336,026.80
43	01-3-2	Expenses of the Commission for Monitoring Enforcement of the Law on Associated Labor	1,500,000	550,000.00	461,770.50
44	01-3-2	Tito's Scholarship Fund for Young Workers and Workers' Children of Yugoslavia	300,000	300,000.00	300,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
45	01-3-2	Expenses of the Commission of the Federal Chamber of the SFRY Assembly for Preparation of the Law on the Bases of Socioeconomic Relations in Management and Economic Employment of Funds for Expanded Reproduction	<u>1,500,000</u>	<u>80,000.00</u>	<u>53,400.00</u>
		Total Basic Purpose 01	<u>325,681,680</u>	<u>345,173,326.00</u>	<u>332,058,040.25</u>
		Total Title 1	<u>325,681,680</u>	<u>345,173,326.00</u>	<u>332,058,040.25</u>
		Title 2. Bureau for Petitions and Grievances			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
46	01-1-1	Funds for personal incomes of personnel	<u>7,618,820</u>	<u>8,430,986.00</u>	<u>8,430,986.00</u>
47	01-2	Funds for material costs	<u>250,000</u>	<u>250,000.00</u>	<u>191,188.55</u>
48	01-3-2	Funds for personal incomes and other personal benefits of officials	<u>795,040</u>	<u>916,442.00</u>	<u>916,439.95</u>
49	01-3-2	Assistance to petitioners	<u>50,000</u>	<u>50,000.00</u>	<u>50,000.00</u>
50	01-3-2	Addition to equipment and furnishings	<u>55,000</u>	<u>55,000.00</u>	<u>--</u>
		Total Basic Purpose 01	<u>8,768,860</u>	<u>9,702,428.00</u>	<u>9,588,614.50</u>
		Total Title 2	<u>8,768,860</u>	<u>9,702,428.00</u>	<u>9,588,614.50</u>

Article 5 (continued)

1	2	3	4	5	6
		Title 3. Secretariat for Legislation of the SFRY Assembly			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
51	01-1-1	Funds for personal incomes of personnel			
52	01-2	Funds for material costs	4,609,840	5,166,282.00	5,136,282.00
53	01-3-2	Funds for personal incomes and other personal benefits of officials	147,400	147,400.00	120,016.05
			<u>1,080,820</u>	<u>1,286,598.00</u>	<u>1,286,207.00</u>
		Total Basic Purpose 01	<u>5,838,060</u>	<u>6,600,280.00</u>	<u>6,542,505.05</u>
		Total Title 3	<u>5,838,060</u>	<u>6,600,280.00</u>	<u>6,542,505.05</u>
		Total Section 2 (Items 20 through 53)	340,288,600	361,476,034.00	348,189,159.50
		Section 3. Council of the Federation			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
54	01-1-1	Funds for personal incomes of personnel			
55	01-2	Funds for material costs	10,170,880	12,363,300.00	12,363,300.00
56	01-3-1	Funds for personal incomes and other personal benefits of officials and persons with special status	176,000	234,000.00	232,751.40
			<u>40,384,730</u>	<u>44,530,430.00</u>	<u>44,530,430.00</u>

Article 5 (continued)

1	2	3	4	5	6
57	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	565,000	525,000.00	520,026.80
58	01-3-2	Traveling and moving expenses in Yugoslavia	550,000	550,000.00	550,000.00
59	01-3-2	Traveling expenses abroad	70,000	56,000.00	35,448.75
60	01-3-2	Postage and telegraph and telephone service	320,000	340,000.00	340,000.00
61	01-3-2	Subscription to reports and other sources of information and the like	600,000	463,500.00	427,664.75
62	01-3-2	Public relations	98,000	75,000.00	74,176.00
63	01-3-2	Reimbursement of members of the Council of the Federation for the cost of using a portion of their dwelling to conduct official business	645,000	662,500.00	662,500.00
64	01-3-2	Purchase of clothing and footwear	70,000	102,000.00	84,753.95
65	01-3-2	Purchase of equipment	60,000	60,000.00	--
		Total Basic Purpose 01	53,709,610	59,961,730.00	59,821,051.65
		Total Section 3 (Items 54 through 65)	53,709,610	59,961,730.00	59,821,051.65
		Section 4. Office of the President of the Republic			
		Basic Purpose 01---Funds for Operation of Administrative Agencies			
66	01-1-1	Funds for personal incomes of personnel	21,058,990	23,526,665.00	23,526,665.00

Article 5 (continued)

1	2	3	4	5	6
67	01-2	Funds for material costs	16,200,000	15,620,000.00	15,620,000.00
68	01-3-2	Funds for personal incomes and other personal benefits of officials	3,833,300	3,833,300.00	3,503,234.00
69	01-3-2	Sponsorship and aid	100,000	4,649.45	4,649.45
70	01-3-2	Costs of purchasing gifts related to trips and visits	9,000,000	6,700,000.00	5,517,097.35
71	01-3-2	Traveling expenses in Yugoslavia and abroad	1,317,000	1,897,000.00	1,871,898.65
72	01-3-2	Addition to furnishings	2,000,000	2,000,000.00	1,775,077.75
73	01-3-2	Expenses of maintaining structures, equipment and furnishings	7,315,000	9,037,366.55	9,000,608.50
74	01-3-2	Personal incomes of seasonal personnel	150,000	520,024.00	516,251.00
75	01-3-2	Compensation for overtime	1,200,000	1,502,960.00	1,473,363.90
76	01-3-2	Remuneration of nonstaff personnel	1,700,000	1,700,000.00	1,279,404.15
Total Basic Purpose 01			63,874,290	66,341,965.00	64,088,249.75
Total Section 4 (Items 66 through 76)			63,874,290	66,341,965.00	64,088,249.75

Article 5 (continued)

1	2	3	4	5	6
		Section 5. Federal Executive Council			
		Title 1. Federal Executive Council			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
77	01-1-1	Funds for personal incomes of personnel	46,700,100	56,409,707.00	56,088,371.00
78	01-2	Funds for material costs	1,350,000	1,100,000.00	1,054,579.55
79	01-3-2	Funds for personal incomes and other personal benefits of officials	25,207,180	30,433,950.00	30,230,774.30
80	01-3-2	Compensation for separation from family	840,000	960,000.00	960,000.00
81	01-3-2	Remuneration of nonstaff personnel	330,000	280,000.00	277,581.70
82	01-3-2	Office supplies	228,000	228,000.00	201,593.55
83	01-3-2	Subscription to newspapers, magazines and other publications	700,000	1,060,000.00	1,059,858.05
84	01-3-2	Traveling and moving expenses in Yugoslavia	2,500,000	2,100,000.00	2,083,844.40
85	01-3-2	Costs of leasing compartments on the Yugoslav Railroads	2,000,000	2,250,000.00	2,241,034.00
86	01-3-2	Traveling expenses abroad	16,500,000	19,950,000.00	19,925,542.00
87	01-3-2	Expendable materials and furnishings	80,000	3,000.00	2,934.00
88	01-3-2	Printing and copying of materials for meetings	2,500,000	5,100,000.00	5,094,490.35
89	01-3-2	Funds for operating expenses of CEMA Commission	1,823,360	923,360.00	913,230.00

Article 5 (continued)

1	2	3	4	5	6
90	01-3-2	Public relations	3,000,000	3,172,000.00	3,171,628.50
91	01-3-2	Expenses of international co- operation	14,000,000	11,765,000.00	11,737,002.50
92	01-3-2	Operating expenses of the Fed- eral Legal Council	450,000	495,000.00	491,022.45
93	01-3-2	Operating expenses of the Fed- eral Economic Council	450,000	470,000.00	465,331.85
94	01-3-2	Purchase of equipment	10,000,000	10,420,000.00	10,400,309.60
95	01-3-2	Expenses of the staff services of the Federal Executive Council	250,000	350,000.00	271,229.30
96	01-3-2	Operating expenses of the Fed- eral Social Council for Af- fairs of the Social System	3,300,000	1,850,000.00	1,832,345.55
97	01-3-2	Operating expenses of the Fed- eral Social Council for In- ternational Relations	1,200,000	690,000.00	637,103.50
98	01-3-2	Operating expenses of the Fed- eral Social Council for Eco- nomic Development and Eco- nomic Policy	2,700,000	950,000.00	925,148.00
99	01-3-2	Operating expenses of the Council for the Environment and Land Use Planning	5,450,000	2,700,000.00	2,656,211.80
100	01-3-2	Operating expenses of the Com- mission of the Federal Execu- tive Council for Relations With Religious Communities	420,000	170,000.00	113,166.70
101	01-3-2	Operating expenses of the Com- mission for Nuclear Energy	1,250,000	200,000.00	194,102.00
102	01-3-2	Operating expenses of the Yu- goslav Commission for Cooper- ation With UNESCO	7,000,000	5,900,000.00	5,571,014.65
103	01-3-2	Membership dues in interna- tional organizations	11,032,330	16,714,310.00	16,714,308.30

Article 5 (continued)

1	2	3	4	5	6
104	01-3-2	Educational grants	300,000	250,000.00	194,002.90
105	01-3-2	Renovating and equipping dwellings of officials	1,500,000	9,760,000.00	9,493,168.65
106	01-3-2	Expenses of vacant dwellings	370,000	370,000.00	149,430.50
107	01-3-2	Moving expenses	50,000	70,000.00	65,510.80
108	01-3-2	Compensation for overtime	381,000	859,000.00	815,598.70
109	01-4	Installment payments on aircraft	79,540,000	16,840,000.00	13,740,000.00
		Total Basic Purpose 01	243,491,970	204,593,327.00	199,771,469.15
		Basic Purpose 06--Other General Public Purposes			
110	06-10	Subsidy to the Fund of Solidarity With the Nonaligned Countries and Developing Countries	100,000,000	100,000,000.00	80,021,852.00
		Total Basic Purpose 06	100,000,000	100,000,000.00	80,021,852.00
		Total Title 1	343,491,970	304,593,327.00	279,793,321.15
		Title 2. Protocol Department of the Federal Executive Council			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
111	01-1-1	Funds for personal incomes of personnel	633,480	954,414.00	954,414.00
112	01-2	Funds for material costs	88,000	48,000.00	14,624.15

Article 5 (continued)

1	2	3	4	5	6
113	01-3-2	Funds for personal incomes and other personal benefits of officials			
114	01-3-2	Compensation for overtime	722,370	818,444.00	528,852.55
115	01-3-2	Public relations	105,000	145,000.00	143,036.00
116	01-3-2	Purchase of uniforms	7,000	7,000.00	648.00
			13,000	13,000.00	9,749.00
		Total Basic Purpose 01	1,569,350	1,985,858.00	1,651,323.70
		Total Title 2	1,569,350	1,985,858.00	1,651,323.70
Title 3. Service of the Federal Executive Council for Defense Preparations					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
117	01-1-1	Funds for personal incomes of personnel			
118	01-2	Funds for material costs	4,758,260	5,600,792.00	5,600,792.00
119	01-3-2	Funds for personal incomes and other personal benefits of officials	325,000	325,000.00	324,984.55
120	01-3-3	Defense-related projects	403,010	908,136.00	872,314.00
121	01-4	Financing the program of Phase I of shelter construction and adaptation	14,000,000	14,000,000.00	11,999,572.00
			113,226,000	125,760,000.00	125,760,000.00
		Total Basic Purpose 01	132,712,270	146,593,928.00	144,557,662.55
		Total Title 3	132,712,270	146,593,928.00	144,557,662.55

Article 5 (continued)

1	2	3	4	5	6
		Total Section 5 (Items 77 through 121)	477,773,590	453,173,113.00	426,002,307.40
		Section 6. Constitutional Court of Yugoslavia via			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
122	01-1-1	Funds for personal incomes of personnel	8,804,580	10,969,185.00	10,969,185.00
123	01-2	Funds for material costs	750,000	765,000.00	760,588.55
124	01-3-1	Funds for personal incomes and other personal benefits of officials	7,849,140	9,613,918.00	8,702,859.70
125	01-3-2	Compensation for separation from family	240,000	240,000.00	240,000.00
126	01-3-2	Costs of proceedings	160,000	210,000.00	207,225.20
127	01-3-2	Publication of Reports of Decisions and Opinions of the Constitutional Court of Yugoslavia			
128	01-3-2	Traveling expenses abroad	826,000	746,000.00	729,987.50
129	01-3-2	Per diems of chauffeurs	70,300	120,300.00	120,300.00
130	01-3-2	Lump-sum payment to chauffeurs for irregular working hours	60,000	16,000.00	--
131	01-3-2	Purchase of clothing and footwear	262,140	262,140.00	139,693.85
132	01-3-2	Purchase of and addition to equipment	20,000	20,000.00	14,850.00
133	01-3-2	Living expenses of delegations	100,000 200,000	-- 137,000.00	-- 86,393.55

Article 5 (continued)

1	2	3	4	5	6
134	01-3-2	Expenses of arranging materials of the Second, Third and Fourth International European Conferences in 1974, 1976 and 1978, respectively	<u>120,000</u>	<u>94,000.00</u>	<u>86,181.00</u>
		Total Basic Purpose 01	<u>19,462,160</u>	<u>23,193,543.00</u>	<u>22,057,264.35</u>
		Total Section 6 (Items 122 through 134)	19,462,160	23,193,543.00	22,057,264.35
		Section 7. Federal Court			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
135	01-1-1	Funds for personal incomes of personnel	12,344,380	13,702,504.00	13,702,504.00
136	01-2	Funds for material costs	1,450,000	1,530,000.00	1,524,135.10
137	01-3-1	Funds for personal incomes and other personal benefits of officials	7,191,290	7,191,290.00	6,803,686.00
138	01-3-2	Compensation for separation from family	180,000	180,000.00	180,000.00
139	01-3-2	Publication of Reports of Court Decisions	300,000	270,000.00	270,000.00
140	01-3-2	Traveling expenses in Yugoslavia via	130,000	73,000.00	57,248.00
141	01-3-2	Traveling expenses abroad	65,000	65,000.00	54,004.10
142	01-3-2	Translation into the languages of the nationalities and ethnic minorities	10,000	5,000.00	2,537.75
143	01-3-2	Costs of court proceedings	10,000	10,000.00	3,400.00

Article 5 (continued)

1	2	3	4	5	6
144	01-3-2	Purchase of and addition to equipment	200,000	--	--
145	01-3-2	Current maintenance of buildings, equipment and furnishings	260,000	200,000.00	200,000.00
146	01-3-2	Expenses of receiving foreign delegations	80,000	--	--
147	01-3-2	Public relations	80,000	48,000.00	46,916.85
148	01-3-2	Awards and compensation to lay judges	20,000	20,000.00	7,760.85
149	01-3-3	Defense-related projects	40,000	10,000.00	5,495.65
		Total Basic Purpose 01	22,860,670	23,304,794.00	22,857,688.30
		Total Section 7 (Items 135 through 149)	22,860,670	23,304,794.00	22,857,688.30
		Section 8. Federal Public Prosecutor's Office			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
150	01-1-1	Funds for personal incomes of personnel	4,770,360	5,342,404.00	5,342,404.00
151	01-2	Funds for material costs	430,000	430,000.00	429,606.65
152	01-3-1	Funds for personal incomes and other personal benefits of officials	3,313,350	3,959,496.00	3,954,060.60
153	01-3-2	Compensation for separation from family	180,000	180,000.00	180,000.00
154	01-3-2	Traveling expenses abroad	100,000	--	--

Article 5 (continued)

1	2	3	4	5	6
155	01-3-2	Translation of official court documents from and into foreign languages	120,000	--	--
156	01-3-2	Costs of conferences and of monitoring and studying social relations and developments	120,000	120,000.00	120,000.00
157	01-3-2	Traveling expenses in Yugoslavia via	75,000	75,000.00	75,000.00
158	01-3-2	Expenses of receiving foreign delegations	177,000	217,000.00	217,000.00
159	01-3-2	Public relations	40,000	40,000.00	40,000.00
160	01-3-3	Defense-related projects	20,000	--	--
Total Basic Purpose 01			9,345,710	10,363,900.00	10,358,071.25
Total Section 8 (Items 150 through 160)			9,345,710	10,363,900.00	10,358,071.25
Section 9. Federal Attorney General's Office					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
161	01-1-1	Funds for personal incomes of personnel	2,624,220	3,434,715.00	3,434,715.00
162	01-2	Funds for material costs	200,000	220,000.00	218,106.50
163	01-3-1	Funds for personal incomes and other personal benefits of officials	1,187,320	1,422,015.00	1,420,439.00
164	01-3-2	Expenses of trial and executive proceedings and of representation in Yugoslavia	20,000	20,000.00	3,990.20

Article 5 (continued)

1	2	3	4	5	6
165	01-3-2	Expenses of conducting suits being tried abroad and traveling expenses	386,430	366,430.00	135,315.70
166	01-3-2	Public relations	5,000	5,000.00	2,482.10
167	01-3-2	Expenses of receiving foreign delegations	20,000	--	--
168	01-3-3	Costs of meetings	30,000	10,000.00	--
169	01-3-3	Defense-related projects	10,000	10,000.00	--
		Total Basic Purpose 01	4,562,970	5,488,160.00	5,215,048.50
		Total Section 9 (Items 161 through 169)	4,562,970	5,488,160.00	5,215,048.50
		Section 10. Federal Public Defender of Self-Management Law			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
170	01-1-1	Funds for personal incomes of personnel	1,960,830	2,165,274.00	2,165,274.00
171	01-2	Funds for material costs	420,000	370,000.00	370,000.00
172	01-3-1	Funds for personal incomes and other personal benefits of officials	1,542,220	1,852,476.00	1,852,476.00
173	01-3-2	Traveling expenses abroad	70,800	--	--
174	01-3-2	Purchase of equipment	50,000	--	--
175	01-3-2	Public relations	30,000	30,000.00	30,000.00
176	01-3-2	Costs of conferences and seminars	40,000	40,000.00	40,000.00
177	01-3-2	Expenses of receiving foreign delegations	30,000	--	--

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
178	01-3-3	Defense-related projects	15,000	15,000.00	15,000.00
		Total Basic Purpose 01	4,158,850	4,472,750.00	4,472,750.00
		Total Section 10 (Items 170 through 178)	4,158,850	4,472,750.00	4,472,750.00
		Section 11. Federal Council for Misdemeanors			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
179	01-1-1	Funds for personal incomes of personnel	2,877,140	3,669,142.00	3,669,142.00
180	01-2	Funds for material costs	340,000	240,000.00	240,000.00
181	01-3-1	Funds for personal incomes and other personal benefits of officials	2,208,970	2,705,396.00	2,705,396.00
182	01-3-2	Traveling expenses in Yugosla- via	30,000	20,000.00	20,000.00
183	01-3-2	Purchase of equipment	30,000	--	--
184	01-3-2	Costs of translation from and into foreign languages	15,000	--	--
185	01-3-2	Operating expenses of ad hoc members of the council	100,000	20,000.00	20,000.00
		Total Basic Purpose 01	5,601,110	6,654,538.00	6,654,538.00
		Total Section 11 (Items 179 through 185)	5,601,110	6,654,538.00	6,654,538.00

Article 5 (continued)

1	2	3	4	5	6
		Section 12. Federal Secretariat for Foreign Affairs			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
186	01-1-1	Funds for personal incomes of personnel	261,762,310	307,542,500.00	307,542,500.00
187	01-2	Funds for material costs	40,000,000	50,999,569.55	50,744,658.56
188	01-3-1	Funds for personal incomes and other personal benefits of officials	12,154,570	16,104,570.00	16,044,838.40
189	01-3-2	Remuneration of nonstaff personnel	1,290,000	1,101,000.00	940,580.00
190	01-3-2	Compensation for work at night, on Sunday and on holidays	3,000,000	2,050,000.00	2,050,000.00
191	01-3-2	Public relations	1,500,000	800,000.00	675,894.95
192	01-3-2	Expenses of delegations	11,500,000	11,500,000.00	9,127,235.30
193	01-3-2	Expenses of fixing boundaries with neighboring countries and of the Commission for Codification of International Law	2,471,000	2,471,000.00	1,908,312.80
194	01-3-2	Expenses of consultation and meetings of the group of non-aligned countries	6,749,000	6,749,000.00	2,026,742.90
195	01-3-2	Expenses of the Yugoslav delegation's participation in the Conference on Security and Cooperation in Europe	432,740	1,600,739.75	1,600,739.75
196	01-3-2	Operation of radio equipment	9,200,000	9,950,000.00	9,454,955.60
197	01-3-2	Expenses of temporary housing	4,500,000	3,967,000.00	3,944,617.20

Article 5 (continued)

1	2	3	4	5	6
198	01-3-2	Compensation for separation from family	1,530,000	1,190,000.00	1,189,335.85
199	01-3-2	Translation of international treaties into the languages of the nationalities and ethnic minorities of Yugoslavia and other expenses			
200	01-3-2	Collection and processing of archive materials	2,000,000	810,000.00	810,000.00
201	01-3-2	Membership dues in international organizations	1,900,000	1,900,000.00	1,809,101.30
202	01-3-2	For purposes of documentation	48,945,450	61,195,767.10	61,195,767.10
203	01-3-2	Addition to and replacement of equipment	6,830,000	5,200,000.00	4,924,742.40
204	01-3-2	Scientific research papers, studies and analyses	5,000,000	78,878.50	78,878.50
205	01-3-2	Specialized training of personnel for the communications service	16,000,000	16,000,000.00	15,139,569.65
206	01-3-2	Rent and maintenance of the office space of the Protocol Department	520,000	655,000.00	329,055.00
207	01-3-3	Expenditures for personnel and material outlays of diplomatic and consular missions abroad	700,000	700,000.00	700,000.00
208	01-3-3	Obligations comprising installment payments on buildings purchased abroad on credit to meet the needs of diplomatic and consular missions	1,510,000,000	1,658,341,900.00	1,658,341,900.00
209	01-3-3	Replacement of the travel documents of Yugoslav nationals abroad	40,693,000	47,692,235.10	47,692,235.10
			18,000,000	5,700,000.00	5,274,646.65

Article 5 (continued)

1	2	3	4	5	6
210	01-3-3	Physical and technical security	1,500,000	1,500,000.00	718,536.50
211	01-3-3	For information activity among Yugoslavs working and living abroad temporarily	5,000,000	4,200,000.00	4,095,957.30
212	01-3-3	Expenses of repatriation and deportation of Yugoslav nationals from abroad	2,196,000	1,396,000.00	1,396,000.00
213	01-3-3	Expenses of preparing and holding the 59th Congress of the Association for International Law	4,000,000	4,000,000.00	3,993,295.50
214	01-3-3	Preparation of publications and documents on foreign policy	2,180,000	2,180,000.00	1,869,980.65
215	01-3-3	Miscellaneous grants in aid in conformity with the principles of international solidarity	2,000,000	--	--
216	01-3-3	Defense-related projects	8,000,000	8,200,000.00	8,174,078.90
217	01-3-3	Specialized education of personnel	2,000,000	2,000,000.00	2,000,000.00
218	01-3-3	Share of the SFRY in financing UN peacekeeping forces in the Middle East	2,901,790	2,901,790.00	2,901,790.00
219	01-3-3	Expenses of holding the 21st Meeting of the General Conference of UNESCO	150,000,000	100,000,000.00	100,000,000.00
220	01-4	Financing the program of investment projects of the Federal Secretariat for Foreign Affairs	423,890,000	477,464,000.00	477,464,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
221	01-4	Financing the program of investment projects to build facilities to meet the needs of foreign diplomatic and consular missions in Belgrade	39,770,000	53,429,000.00	53,199,000.00
222	01-4	Construction of the Canadian embassy building in Belgrade	10,670,000	10,990,100.00	10,990,100.00
223	01-4	Equipment for physical and technical security	<u>4,947,000</u>	--	--
		Total Basic Purpose 01	<u>1,665,732,860</u>	<u>2,882,560,060.00</u>	<u>2,870,349,048.26</u>
		Basic Purpose 07--Funds of the Federal Reserve			
224	07-2	Undistributed funds	<u>6,400,000</u>	<u>6,400,000.00</u>	<u>6,400,000.00</u>
		Total Basic Purpose 07	<u>6,400,000</u>	<u>6,400,000.00</u>	<u>6,400,000.00</u>
		Total Section 12 (Items 186 through 224)	2,672,132,860	2,088,960,050.00	2,867,749,048.26
		Section 13. Federal Secretariat for National Defense			
		Basic Purpose 02--National Defense and Social Self-Protection			
225	02-1-1	Funds for the Yugoslav People's Army in the current year	72,677,800,000	75,355,800,000.00	75,355,800,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
226	02-1-2	Funds to cover expenditures related to rendering services to entities outside the Yugoslav People's Army	<u>920,000,000</u>	<u>920,000,000.00</u>	<u>919,886,906.55</u>
		Total Basic Purpose 02	<u>73,597,800,000</u>	<u>76,275,800,000.00</u>	<u>76,275,686,906.55</u>
		Total Section 13 (Items 225 through 226)	73,597,800,000	76,275,800,000.00	76,275,686,906.55
		Section 14. Federal Secretariat for Internal Affairs			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
227	01-1-1	Funds for personal incomes of personnel	503,321,450	638,414,513.00	638,414,513.00
228	01-2	Funds for material costs	50,000,000	64,000,000.00	54,000,000.00
229	01-3-1	Funds for personal incomes and other personal benefits of officials	4,456,290	5,323,337.00	5,323,337.00
230	01-3-2	For designated purposes	186,000,000	266,900,000.00	266,900,000.00
231	01-3-2	Purchase of clothing and footwear	10,000,000	12,100,000.00	12,100,000.00
232	01-3-2	Education and training of personnel	8,000,000	12,300,000.00	12,300,000.00

Article 5 (continued)

1	2	3	4	5	6
233	01-3-2	Preventive medicine, insurance of personnel and lump-sum grant in aid under Article 37 of the Law on Performance of Law Enforcement Functions in the Jurisdiction of Federal Administrative Agencies	1,600,000	1,300,000.00	1,300,000.00
234	01-3-2	Expenses of building maintenance	6,500,000	5,100,000.00	5,100,000.00
235	01-3-2	Moving expenses and shipping costs	3,500,000	1,000,000.00	1,000,000.00
236	01-3-2	Compensation for separation from family	3,400,000	10,220,000.00	10,220,000.00
237	01-3-2	Remuneration for occasional, temporary and other jobs	2,000,000	2,500,000.00	2,500,000.00
238	01-3-2	Purchase of sports equipment	250,000	300,000.00	300,000.00
239	01-3-2	Expenses of the Center for Personnel Education and Training	3,000,000	1,500,000.00	1,500,000.00
240	01-3-2	Compensation for overtime and nighttime work	2,000,000	2,100,000.00	2,100,000.00
241	01-3-2	Obligations to law enforcement agencies in the republics and autonomous provinces under Article 43 of the Law on Performance of Law Enforcement Functions in the Jurisdiction of Federal Administrative Agencies	28,000,000	59,500,000.00	59,500,000.00
242	01-3-3	Compensation for personal incomes and other expenses of security personnel employed in diplomatic and consular missions	40,228,130	66,690,105.00	66,689,975.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
243	01-3-3	Expenses of the transit and reception center for refugees			
244	01-3-3	Defense-related projects	1,600,000	950,000.00	950,000.00
245	01-3-3	Funds for work of the Institute of Security and Social Self-Protection	6,000,000	3,000,000.00	3,000,000.00
246	01-3-3	Operating expenses of the Institute of Security and Social Self-Protection related to rendering services in Yugoslavia for foreign services and for third parties	12,000,000	52,000,000.00	52,000,000.00
247	01-4	Financing under the modernization program	65,000,000	19,100,000.00	19,100,000.00
248	01-4	Purchase of transportation equipment and helicopters	58,600,000	61,275,000.00	61,275,000.00
249	01-4	Construction of reception centers for foreigners	21,800,000	12,800,000.00	12,800,000.00
250	01-4	Construction of hangar and workshop for helicopters	6,000,000	6,000,000.00	6,000,000.00
			<u>22,000,000</u>	<u>22,000,000.00</u>	<u>22,000,000.00</u>
		Total Basic Purpose 01	<u>1,045,255,870</u>	<u>1,326,372,955.00</u>	<u>1,326,372,825.00</u>
		Total Section 14 (Items 227 through 250)	1,045,255,870	1,326,372,955.00	1,326,372,825.00

Article 5 (continued)

1	2	3	4	5	6
		Section 15. Federal Secretariat for Finance			
		Title 1. The Secretariat			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
251	01-1-1	Funds for personal incomes of personnel	43,972,700	51,983,509.00	51,983,509.00
252	01-1-2	Funds for community [social service] consumption of federal bodies, agencies and organizations	125,080,000	198,665,776.00	198,615,859.00
253	01-2	Funds for material costs	2,845,000	3,145,000.00	2,845,388.35
254	01-3-1	Funds for personal incomes and other personal benefits of officials	4,859,720	6,294,070.00	6,027,472.30
255	01-3-2	Compensation for separation from family	180,000	215,000.00	204,872.00
256	01-3-2	Collection of evidence on Yugoslav property abroad	16,000	16,000.00	--
257	01-3-2	Operating expenses of the customs commission	86,000	88,000.00	87,880.00
258	01-3-2	Translation from and into foreign languages	55,000	55,000.00	9,122.05
259	01-3-2	Traveling expenses abroad	1,357,000	2,047,000.00	2,039,658.70
260	01-3-2	Remuneration of nonstaff personnel	82,000	127,000.00	20,170.00
261	01-3-2	Compensation for overtime	322,000	602,000.00	593,457.80
262	01-3-2	Cooperation with international financial organizations	333,000	228,000.00	158,236.00

Article 5 (continued)

1	2	3	4	5	6
263	01-3-2	Financing the personnel development program	170,000	30,000.00	--
264	01-3-2	Purchase of and addition to equipment	530,000	30,000.00	--
265	01-3-2	Printing the budget and the final account of the budget	55,000	55,000.00	--
266	01-3-2	Preparation of financial publications	75,000	75,000.00	--
267	01-3-2	Expenses of the Commission for Preparation of Changes in the System	500,000	500,000.00	452,293.60
268	01-3-2	For designated purposes	190,000	452,468.00	431,818.00
269	01-3-2	Funds for new projects and tasks within federal bodies and agencies	64,983,680	37,964.00	--
270	01-3-2	Funds for alignment of personal incomes in federal bodies and agencies	158,031,730	1,735,117.00	--
271	01-3-2	Funds to finance scientific research projects and scientific studies	30,000,000	30,000,000.00	29,428,198.85
272	01-3-2	Funds to maintain the CEMA Commission in the SFRY	350,000	50,000.00	--
273	01-3-3	Compensation for property nationalized in Yugoslavia	8,400,000	8,400,000.00	1,225,998.00
274	01-3-3	Compensation and commissions paid to the Social Accounting Service	10,696,000	10,696,000.00	8,807,239.30
275	01-3-3	Rent on the Ethiopian Embassy	46,000	46,000.00	36,000.00
276	01-3-3	Expenses of the Commission for Revaluation of Capital Assets	100,000	200,000.00	187,559.50
277	01-3-3	Defense-related projects	35,000	35,000.00	28,500.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
278	01-3-3	Funds for operation of the Fund of Solidarity With the Nonaligned Countries and Developing Countries in 1980	1,384,200	634,290.00	252,706.15
279	01-3-3	Supplemental share of the SFRY for the selective augmentation of the capital of the International Bank for Reconstruction and Development	35,937,000	35,937,000.00	35,937,000.00
280	01-3-3	Expenses related to the annual assembly of the International Bank and International Monetary Fund	1,000,000	493,000.00	213,479.55
281	01-4	Funds for assessment of non-economic capital investment projects required by law	236,874,000	--	--
		Total Basic Purpose 01	728,546,120	352,373,194.00	339,596,418.15
		Basic Purpose 04--Funds Transferred to Other Sociopolitical Communities			
282	04-2	Supplemental funds to the Socialist Republic of Bosnia-Herzegovina	4,364,800,000	4,364,800,000.00	4,364,800,000.00
283	04-2	Supplemental funds to the Socialist Republic of Macedonia	1,989,500,000	1,989,500,000.00	1,989,500,000.00
284	04-2	Supplemental funds to the Socialist Republic of Montenegro	2,207,500,000	2,207,500,000.00	2,131,624,060.00
285	04-2	Supplemental funds to the Socialist Autonomous Province of Kosovo	5,272,100,000	5,772,100,000.00	5,772,100,000.00

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 04	<u>13,833,900,000</u>	<u>14,333,900,000.00</u>	<u>14,258,024,060.00</u>
		Basic Purpose 05--Obligations To Finance Public Services			
286	05-9	Supplemental earmarked funds to the Old-Age and Disability Insurance Community of SR [Socialist Republic] Montenegro to cover the deficit in the Old-Age and Disability Insurance Fund	469,480,000	469,480,000.00	469,480,000.00
287	05-9	Funds for preferential pensions of military personnel under the provisions of the Law on the Obligations of the Federation for Pensions of War Veterans			
288	05-9	Funds for adjustment of military pensions	1,552,970,000	1,552,970,000.00	1,552,970,000.00
289	05-9	Supplemental earmarked funds to cover the deficit in the Military Personnel Old-Age Insurance Fund	848,750,000	848,750,000.00	848,750,000.00
			<u>3,653,000,000</u>	<u>4,331,000,000.00</u>	<u>4,331,000,000.00</u>
		Total Basic Purpose 05	<u>6,524,200,000</u>	<u>7,202,200,000.00</u>	<u>7,202,200,000.00</u>
		Basic Purpose 06--Other General Public Purposes			
290	06-11	Compensation to cover expenses of the Social Accounting Service for tasks in keeping records, monitoring and preparing reports and analyses			
			<u>160,200,000</u>	<u>160,200,000.00</u>	<u>160,200,000.00</u>

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 06	<u>160,200,000</u>	<u>160,200,000.00</u>	<u>160,200,000.00</u>
		Basic Purpose 07--Funds of the Federal Reserve			
291	07-1	Transferred to the permanent federal reserve	235,700,000	235,700,000.00	235,700,000.00
292	07-2	Current budget reserve	<u>222,500,000</u>	<u>305,698,224.00</u>	<u>269,753,973.65</u>
		Total Basic Purpose 07	<u>458,200,000</u>	<u>541,398,224.00</u>	<u>505,453,973.65</u>
		Basic Purpose 08--Funds Placed in Time Deposits and Set Aside, Obligations and Other Purposes of Interest to the Federation			
293	08-4-2	Obligations under foreign loans and for nationalized foreign property	22,000,000	22,000,000.00	20,318,972.30
294	08-4-2	Obligations on the basis of credits extended to SR Montenegro to repair earthquake damage	10,000,000	8,066,903.00	8,066,903.00
295	08-4-2	For repayment of credit for agricultural surpluses used to finance the Federal Budget for 1965 and the Federal Budget for 1966	144,000,000	117,759,000.00	117,759,000.00
296	08-4-2	Obligation of SAP [Socialist Autonomous Province] Kosovo assumed to repay the foreign loan for the Ibar-Lepenac Hydropower System	75,000,000	99,712,847.60	99,712,847.60

Article 5 (continued)

1	2	3	4	5	6
297	08-4-2	Funds to redeem bonds and cover differences in rates of exchange of currencies from past years	1,349,300,000	1,264,006,925.95	1,264,006,925.90
298	08-4-2	Repayment of credit to the Yugoslav National Bank related to performance of the Program of Permanent Federal Commodity Reserves in 1975	259,000,000	152,381,547.60	152,381,547.60
299	08-4-2	Repayment of credit to the Yugoslav National Bank related to performance of the Program of Permanent Federal Commodity Reserves in 1976	517,000,000	212,803,640.40	212,803,640.40
300	08-4-2	Repayment of credit to the Yugoslav National Bank related to performance of the Program of Permanent Federal Commodity Reserves in 1975	170,500,000	3,897,004.25	3,897,004.25
301	08-4-2	Repayment of credit extended to carry out the Program of Permanent Federal Commodity Reserves in 1978 (SLUZBENI LIST SFRJ, No 60, 1975)	250,000,000	219,354,238.10	219,354,238.10
302	08-4-2	Funds to repay international credits for improved transportation routes in SR Montenegro	66,300,000	94,258,000.00	94,258,000.00

Article 5 (continued)

1	2	3	4	5	6
303	08-4-2	Funds to bridge differences between subscription dates of the loan and the lending of resources of the Federal Fund for Credit Financing the Economic Development of the Economically Underdeveloped Republics and Autonomous Provinces	623,900,000	623,900,000.00	623,900,000.00
304	08-4-2	Obligations to the African Development Fund	70,000,000	69,325,000.00	69,325,000.00
305	08-4-2	Contribution to the International Development Association IDA	49,700,000	49,664,880.00	49,664,880.00
306	08-4-2	Member's share in the International American Bank	35,000,000	45,689,340.00	45,689,340.00
307	08-4-2	Contribution to the International Finance Corporation	8,600,000	12,580,173.10	12,580,173.10
		Total Basic Purpose 08	3,651,400,000	2,995,400,000.00	2,993,718,972.25
		Total Title 1	25,356,446,120	15,585,971,418.	15,459,193,424.05
		Title 2. Federal Foreign Exchange Inspectorate			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
308	01-1-1	Funds for personal incomes of personnel	34,569,500	39,743,210.00	39,743,210.00
309	01-2	Funds for material costs	1,622,000	1,910,493.00	1,910,493.00

Article 5 (continued)

1	2	3	4	5	6
310	01-3-1	Funds for personal incomes and other personal benefits of officials			
311	01-3-2	Remuneration of nonstaff personnel in foreign exchange inspectorates in the republics	404,500	155,754.00	254,703.30
312	01-3-2	Traveling expenses of foreign exchange inspectors in Yugoslavia	80,000	26,000.00	24,521.30
313	01-3-2	Rental and maintenance of office space	2,600,000	2,024,240.00	1,910,197.00
314	01-3-2	Traveling expenses abroad	600,000	887,267.00	887,267.00
315	01-3-2	Purchase of equipment	600,000	600,000.00	427,201.25
316	01-3-2	Public relations	600,000	600,000.00	399,853.30
317	01-3-3	Defense-related projects	5,400	5,400.00	901.80
318	01-4	Purchase of office space	95,000	95,000.00	45,298.65
			<u>2,910,000</u>	<u>2,910,000.00</u>	<u>2,910,000.00</u>
		Total Basic Purpose 01	<u>44,086,400</u>	<u>49,057,364.00</u>	<u>48,513,646.60</u>
		Total Title 2	<u>44,086,400</u>	<u>49,057,364.00</u>	<u>48,513,646.60</u>
		Total Section 15 (Items 251 through 318)	25,400,532,520	25,635,028,782.00	25,507,707,070.65
		Section 16. Federal Secretariat for Foreign Trade			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
319	01-1-1	Funds for personal incomes of personnel	40,283,840	46,166,350.00	46,166,350.00

Article 5 (continued)

1	2	3	4	5	6
320	01-2	Funds for material costs			
321	01-3-1	Funds for personal incomes and other personal benefits of officials	3,800,000	4,020,000.00	4,015,380.05
322	01-3-2	Compensation for separation from family	5,061,080	5,751,255.00	5,684,351.75
323	01-3-2	Compensation for overtime of typists based on quota, remuneration of nonstaff personnel, and compensation of professional commissions and working groups	300,000	300,000.00	282,500.00
324	01-3-2	Preparation of bulletins, other materials and forms for administering the foreign trade and foreign exchange systems	500,000	250,000.00	169,511.20
325	01-3-2	Scientific information and documentation work and consultation furnished by particular institutions	230,000	230,000.00	220,802.70
326	01-3-2	Expenses of foreign and domestic delegations	120,000	120,000.00	105,000.00
327	01-3-2	Remuneration for translation of various technical materials and foreign publications from foreign languages	2,900,000	2,000,000.00	1,479,741.00
328	01-3-2	Purchase of clothing and footwear	55,000	55,000.00	--
329	01-3-2	Current building maintenance	35,000	35,000.00	22,231.60
330	01-3-2	Membership dues in international organizations	200,000	100,000.00	25,575.00
331	01-3-2	Purchase of equipment	7,892,500	12,472,500.00	11,925,821.60
332	01-3-2	Expenses of personnel development programs	700,000	--	--
			250,000	--	--

Article 5 (continued)

1	2	3	4	5	6
333	01-3-3	Defense-related projects	140,000	170,000.00	148,473.00
		Total Basic Purpose 01	62,487,420	71,670,105.00	70,245,737.90
		Total Section 16 (Items 319 through 333)	62,487,420	71,670,105.00	70,245,737.90
		Section 17. Federal Secretariat for the Market and General Economic Affairs			
		Title 1. The Secretariat			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
334	01-1-1	Funds for personal incomes of personnel	18,523,850	23,072,762.00	23,072,762.00
335	01-2	Funds for material costs	2,350,000	2,750,000.00	2,750,000.00
336	01-3-1	Funds for personal incomes and other personal benefits of officials	3,650,060	4,304,730.00	4,304,670.00
337	01-3-2	Compensation for overtime	250,000	250,000.00	250,000.00
338	01-3-2	Traveling expenses abroad	363,000	293,000.00	293,000.00
339	01-3-2	Expenses of international co-operation	210,000	210,000.00	210,000.00
340	01-3-2	Purchase of equipment	427,000	--	--
341	01-3-2	Traveling expenses in Yugoslavia via	1,000,000	350,000.00	350,000.00
342	01-3-2	Data processing expenses	150,000	--	--
343	01-3-2	Membership dues in international organizations	1,769,320	1,769,320.00	1,769,320.00

Article 5 (continued)

1	2	3	4	5	6
344	01-3-2	Remuneration of nonstaff personnel	50,000	100,000.00	100,000.00
345	01-3-2	Funds to finance costs related to analyzing and forecasting economic trends			
346	01-3-2	Costs of devising a uniform methodology for monitoring economic trends	3,200,000	3,200,000.00	3,200,000.00
347	01-3-3	Defense-related projects	920,000	920,000.00	920,000.00
			60,000	60,000.00	60,000.00
		Total Basic Purpose 01	32,923,230	37,279,812.00	37,279,752.00
		Total Title 1	32,923,230	37,279,812.00	37,279,752.00
		Title 2. Federal Market Inspectorate			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
348	01-1-1	Funds for personal incomes of personnel			
349	01-2	Funds for material costs	20,288,910	23,790,726.00	23,790,726.00
350	01-3-1	Funds for personal incomes and other personal benefits of officials	1,900,000	2,302,721.00	2,302,721.00
351	01-3-2	Compensation for overtime	401,260	1,295,840.00	887,606.00
352	01-3-2	Remuneration of authorized organizations and specialists for checking the quality of products being imported	200,000	160,000.00	150,000.00
353	01-3-2	Traveling expenses abroad	2,000,000	1,602,279.00	1,602,279.00
354	01-3-2	Expenses of inspection for quality	200,000	140,000.00	140,000.00
			500,000	450,000.00	450,000.00

Article 5 (continued)

1	2	3	4	5	6
355	01-3-2	Rent	800,000	800,000.00	800,000.00
356	01-3-2	Expenses of international co-operation	60,000	60,000.00	60,000.00
357	01-3-2	Remuneration for expert testimony and expert evaluation	900,000	510,000.00	500,000.00
358	01-3-2	Purchase of equipment	350,000	350,000.00	350,000.00
359	01-3-2	Purchase of professional publications	100,000	100,000.00	100,000.00
360	01-3-2	Traveling expenses of market inspectors in Yugoslavia	3,000,000	2,600,000.00	2,600,000.00
361	01-3-2	Public relations	10,000	10,000.00	10,000.00
		Total Basic Purpose 01	30,710,170	34,171,566.00	33,743,332.00
		Total Title 2	30,710,170	34,171,566.00	33,743,332.00
		Title 3. Federal Directorate for Reserves of Industrial Products			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
362	01-3-4	Funds for operation of the work community	20,300,000	20,300,000.00	20,300,000.00
363	01-3-4	Funds for designated purposes	242,300,000	242,300,000.00	242,300,000.00
		Total Basic Purpose 01	262,600,000	262,600,000.00	262,600,000.00
		Total Title 3	262,600,000	262,600,000.00	262,600,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
		Title 4. Federal Directorate for Reserves of Food Products			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
364	01-3-4	Funds for operation of the work community	33,200,000	33,200,000.00	26,335,201.35
365	01-3-4	Funds for designated purposes	723,500,000	723,500,000.00	723,500,000.00
		Total Basic Purpose 01	756,700,000	756,700,000.00	749,835,201.35
		Total Title 4	756,700,000	756,700,000.00	749,835,201.35
		Total Section 17 (Items 334 through 365)	1,082,933,400	1,090,751,378.00	1,083,458,285.35
		Section 18. Federal Secre- tariat for Jus- tice and Federal Administrative Organizations			
		Title 1. The Secretariat			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
366	01-1-1	Funds for personal incomes of personnel	10,063,660	12,753,223.00	12,753,223.00
367	01-2	Funds for material costs	778,000	778,000.00	778,000.00

Article 5 (continued)

1	2	3	4	5	6
368	01-3-1	Funds for personal incomes and other personal benefits of officials	2,531,570	3,813,413.00	3,813,413.00
369	01-3-2	Compensation for separation from family	381,120	456,120.00	456,120.00
370	01-3-2	Expenses of extradition	826,000	826,000.00	750,000.00
371	01-3-2	Traveling expenses abroad	100,000	100,000.00	100,000.00
372	01-3-2	Translations of petitions and documents from foreign languages	22,000	22,000.00	22,000.00
373	01-3-2	Expenses of expert testimony and expenses of litigation	50,000	50,000.00	--
374	01-3-2	Consultations involved in drafting legal enactments and traveling expenses related to consultations	26,000	436,000.00	436,000.00
375	01-3-3	For performance of the work program of the Institute for Comparative Law	2,950,000	3,210,000.00	3,210,000.00
376	01-3-3	Funds for operation of the Center for Advancement of Federal Administration	2,837,000	3,703,308.00	3,703,308.00
377	01-3-3	Compensation to the Health Center of the Federal Secretariat for Internal Affairs for outpatient services	450,000	450,000.00	450,000.00
378	01-3-3	Funds for the AVNOJ Prize	2,591,550	2,591,550.00	2,591,550.00
379	01-3-3	Mosa Pijade Fund for Advancement of Representational Art	1,474,200	1,474,200.00	1,474,200.00
380	01-3-3	Funds for operation of the Commission on Objects Bearing the Likeness of the President of the Republic	140,400	140,400.00	140,400.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
381	01-3-3	Funds to carry out the work program of the Museum of the Revolution of the Nationalities and Ethnic Minorities of Yugoslavia	8,551,280	10,077,710.00	10,077,710.00
382	01-3-3	Share in financing international meetings and other undertakings	1,000,000	65,000.00	--
383	01-3-3	Funds to pay for office space	115,000	115,000.00	115,000.00
384	01-3-3	Defense-related projects	35,000	35,000.00	35,000.00
385	01-4	Housing construction related to rotation of personnel	29,100,000	61,460,000.00	61,460,000.00
386	01-4	Completion of construction of the office building of federal bodies and agencies at No 104 AVNOJ Boulevard in New Belgrade	14,550,000	106,573,146.60	106,573,146.60
387	01-4	Construction of housing for retired personnel of the Federal Secretariat for Internal Affairs	12,610,000	12,610,000.00	12,610,000.00
388	01-4	Investments to erect the building and the permanent exhibit layout of the Museum of the Revolution of the Nationalities and Ethnic Minorities of Yugoslavia	10,000,000	22,001,000.00	22,001,000.00
Total Basic Purpose 01			101,392,780	243,741,070.60	243,550,070.60
Total Title 1			101,392,780	243,741,070.60	243,550,070.60

Article 5 (continued)

1	2	3	4	5	6
	Title 2. Data Processing Center of Federal Bodies and Agencies				
	Basic Purpose 01--Funds for Operation of Administrative Agencies				
389	01-1-1	Funds for personal incomes of personnel	8,178,990	12,432,542.00	12,432,542.00
390	01-2	Funds for material costs	885,000	885,000.00	885,000.00
391	01-3-1	Funds for personal incomes and other personal benefits of officials			
392	01-3-2	Remuneration of nonstaff personnel	628,880	667,255.00	667,255.00
393	01-3-2	Traveling expenses abroad	35,400	35,400.00	15,000.00
394	01-3-2	Purchase of specialized literature	60,000	60,000.00	29,000.00
395	01-3-2	Material costs related to publication and storage of documentation and information materials	2,770,000	337,000.00	337,000.00
396	01-3-2	Operating expenses of the electronic computer	330,000	270,000.00	270,000.00
397	01-3-2	Expenses of preparing designs of the information system	1,180,000	1,180,000.00	1,180,000.00
398	01-3-2	Purchase of equipment	500,000	400,000.00	250,000.00
			177,000	177,000.00	170,000.00
		Total Basic Purpose 01	12,252,270	16,444,197.00	16,235,797.00
		Total Title 2	12,252,270	16,444,197.00	16,235,797.00
		Total Section 18 (Items 366 through 398)	113,645,050	260,185,267.60	259,785,867.60

Article 5 (continued)

1	2	3	4	5	6
		Section 19. Federal Secretariat for Information			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
399	01-1-1	Funds for personal incomes of personnel			
400	01-2	Funds for material costs	21,789,380	24,247,607.00	24,247,607.00
401	01-3-1	Funds for personal incomes and other personal benefits of officials	700,000	700,000.00	696,634.25
402	01-3-2	Subscription to newspapers, magazines and publications	2,057,730	3,887,971.00	3,877,945.00
403	01-3-2	Expenses of visits by foreign guests and journalists	825,000	825,000.00	824,975.80
404	01-3-2	State visits--foreign newsmen	3,000,000	3,000,000.00	2,999,781.10
405	01-3-2	accompanying heads of state	1,400,000	1,400,000.00	1,397,637.05
		Publication of bulletins and expenses of holding press conferences and publishing activity related to the work of the Federal Executive Council			
406	01-3-2	Performance of the international relations program of the Federation of Yugoslav Newsmen	3,700,000	3,700,000.00	3,699,339.05
407	01-3-2	Expenses of multilateral cooperation of the nonaligned developing countries in informing one another	900,000	900,000.00	900,000.00
			300,000	300,000.00	298,220.20

Article 5 (continued)

1	2	3	4	5	6
408	01-3-2	Addition to and replacement of equipment			
409	01-3-3	Publishing activity, press releases, purchase of publications about Yugoslavia in foreign languages, news and documentary films, news photos, exhibits, special projects, the Secretariat's operating fund and costs of shipping information and propaganda material	206,000	206,000.00	3,332.60
410	01-3-3	Purchase of periodicals intended for foreign countries	25,000,000	25,000,000.00	24,999,257.95
411	01-3-3	Radiobroadcasting for foreign countries	37,000,000	37,000,000.00	37,000,000.00
412	01-3-3	Radio programs and news coverage and TV programs intended for abroad	66,700,000	67,350,000.00	67,350,000.00
413	01-3-3	News agency services	2,774,000	2,774,000.00	2,774,000.00
414	01-3-3	Expenses of preparing news-reels	125,724,000	131,724,000.00	131,724,000.00
415	01-3-3	Information, propaganda and culture and entertainment activity aimed at Yugoslav workers and emigres abroad	17,802,000	17,802,000.00	17,802,000.00
416	01-3-3	Informing the foreign public over radio and television	15,500,000	15,500,000.00	15,491,078.50
417	01-3-3	International Press Center in Belgrade	16,000,000	9,350,000.00	9,350,000.00
418	01-3-3	Defense-related projects	6,500,000	6,500,000.00	6,500,000.00
419	01-3-3	Regular maintenance expenses of the Service for Defense Preparations of Radio Yugoslavia	10,000,000	10,000,000.00	8,760,211.50
			4,500,000	4,500,000.00	4,500,000.00

Article 5 (continued)

1	2	3	4	5	6
420	01-3-3	Regular maintenance expenses of the Service for Defense Preparations of the News Agency TANJUG	900,000	900,000.00	900,000.00
421	01-4	Construction and modernization of the technical facilities of Radio Yugoslavia	32,500,000	39,971,000.00	39,971,000.00
		Total Basic Purpose 01	395,778,110	407,537,578.00	406,067,519.75
		Total Section 19 (Items 399 through 421)	395,778,110	407,537,578.00	406,067,519.75
		Section 20. Federal Committee for Energy and Industry			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
422	01-1-1	Funds for personal incomes of personnel	20,010,450	22,977,904.00	22,977,904.00
423	01-2	Funds for material costs	1,700,000	1,600,000.00	1,300,000.00
424	01-3-1	Funds for personal incomes and other personal benefits of officials	3,323,090	3,889,536.00	3,889,536.00
425	01-3-2	Expenses of international co-operation within Yugoslavia	600,000	500,000.00	400,000.00
426	01-3-2	Traveling expenses abroad	1,200,000	1,100,000.00	850,000.00
427	01-3-2	Compensation of members of the commission and remuneration of nonstaff personnel	200,000	170,000.00	40,000.00
428	01-3-2	Costs of holding meetings of the committee	340,000	240,000.00	220,000.00

Article 5 (continued)

1	2	3	4	5	6
429	01-3-2	Membership dues in international organizations	6,078,360	6,078,360.00	6,078,300.00
430	01-3-2	Compensation for separation from family	80,000	80,000.00	80,000.00
431	01-3-2	Share of the costs of the International Study of INFCE [expansion unknown] in 1980	440,000	140,000.00	140,000.00
432	01-3-2	Compensation for overtime	80,000	30,000.00	20,000.00
433	01-3-2	Purchase of equipment	180,000	80,000.00	60,000.00
434	01-3-2	Expenses of carrying out the work program of the Commission of the Federal Executive Council for Nuclear Energy	1,000,000	500,000.00	200,000.00
435	01-3-3	Defense-related projects	470,000	470,000.00	250,000.00
		Total Basic Purpose 01	35,701,900	37,855,800.00	36,505,740.00
		Total Section 20 (Items 422 through 435)	35,701,900	37,855,800.00	36,505,740.00
		Section 21. Federal Committee for Agriculture			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
436	01-1-1	Funds for personal incomes of personnel	15,151,840	17,782,338.00	17,782,338.00
437	01-1-1	Funds for personal incomes of personnel in border stations	31,919,410	39,650,379.00	39,650,379.00
438	01-2	Funds for material costs	2,000,000	2,000,000.00	2,000,000.00
439	01-2	Funds for material costs of border stations	10,000,000	8,370,000.00	8,359,962.90

Article 5 (continued)

1	2	3	4	5	6
440	01-3-1	Funds for personal incomes and other benefits of officials	2,914,540	4,300,032.00	4,300,032.00
441	01-3-2	Contribution to the World Food Program	3,700,000	3,700,000.00	3,700,000.00
442	01-3-2	Expenses of international co-operation in water management	630,000	640,000.00	640,000.00
443	01-3-2	Compensation of members of special commissions	300,000	300,000.00	300,000.00
444	01-3-2	Expenses of monitoring chemicals for plant pest and disease control	10,000	80,000.00	90,000.00
445	01-3-2	Expenses of monitoring chemicals for livestock pest and disease control	48,000	48,000.00	48,000.00
446	01-3-2	Expenses of the Yugoslav Committee for the International Hydrology Program	3,000,000	2,900,000.00	2,900,000.00
447	01-3-2	Administration of measures in the border zone in the field of veterinary science and plant pest and disease control	3,800,000	300,000.00	300,000.00
448	01-3-2	Expenses of international co-operation in the fields of agriculture and forestry	2,000,000	2,000,000.00	2,000,000.00
449	01-3-2	Expenses of holding meetings of the committee	350,000	150,000.00	150,000.00
450	01-3-2	For holding seminars, giving courses and preparing enactments in the field of veterinary science and plant pest and disease control	1,600,000	1,600,000.00	1,600,000.00

Article 5 (continued)

1	2	3	4	5	6
451	01-3-2	Remuneration of nonstaff personnel in the field of plant pest and disease control at border crossings	300,000	250,000.00	250,000.00
452	01-3-2	For monitoring movements of plant pests and diseases on the quarantine list	600,000	600,000.00	600,000.00
453	01-3-2	Membership dues in international organizations (FAO)	11,556,000	17,776,000.00	17,776,000.00
454	01-3-2	Compensation for overtime in the field of veterinary science at border crossings	400,000	300,000.00	300,000.00
455	01-3-2	Compensation for overtime in the field of plant pest and disease control at border crossings	700,000	350,000.00	350,000.00
456	01-3-2	Certification of new varieties and approval of organizing the production of seeds and nursery stock	2,000,000	2,000,000.00	2,000,000.00
457	01-3-2	Remuneration of nonstaff personnel for animal pest and disease control at the border	330,000	230,000.00	230,000.00
458	01-3-2	For verification and application of new technologies and techniques in agriculture and forest management in accordance with the policy governing economic development in 1980	2,000,000	1,298,000.00	1,298,000.00
459	01-3-2	Preparation and printing of instructions for administering regulations and carrying out measures under the jurisdiction of the Federation	1,100,000	1,800,000.00	1,800,000.00

Article 5 (continued)

1	2	3	4	5	6
460	01-3-2	Holding fairs, exhibitions, conferences, symposiums and congresses to promote agriculture	1,400,000	1,450,000.00	1,450,000.00
461	01-3-2	Monitoring, establishing and carrying on cooperation with countries with which Yugoslavia has intergovernmental committees and commissions, and especially with the developing countries	1,000,000	650,000.00	650,000.00
462	01-3-2	Purchase of and addition to equipment	1,500,000	1,500,000.00	1,500,000.00
463	01-3-2	Costs of ascertaining the behavior of active ingredients of pesticides	400,000	400,000.00	400,000.00
464	01-3-2	Operating expenses of the commission and the working bodies of the committee	400,000	602,000.00	602,000.00
465	01-3-2	Expenses of the Yugoslav Commission for Protection Against Pollution of the Sea and Other Waters and Inland Waterways	230,000	50,000.00	50,000.00
466	01-3-2	Diagnosis of virus diseases	300,000	300,000.00	300,000.00
467	01-3-2	Preparation of the Symposium entitled "Corn Production, Technology and Use"	900,000	660,000.00	660,000.00
468	01-3-2	Final preparation of integrated measures for plant pest and disease control and introduction of nonpesticidal measures to combat plant diseases and pests	800,000	800,000.00	800,000.00

Article 5 (continued)

1	2	3	4	5	6
469	01-3-2	Expenses of preparing the Third Conference of European Associations of Agrarian Economists	750,000	750,000.00	750,000.00
470	01-3-3	Defense-related projects	900,000	800,000.00	800,000.00
		Total Basic Purpose 01	105,149,790	116,396,749.00	116,396,711.90
		Total Section 21 (Items 436 through 470)	105,149,790	116,396,749.00	116,396,711.90
		Section 22. Federal Committee for Transporta- tion and Communi- cations			
		Title 1. The Committee			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
471	01-1-1	Funds for personal incomes of personnel	18,264,130	23,289,268.00	23,289,268.00
472	01-2	Funds for material costs	1,800,000	2,090,000.00	2,090,000.00
473	01-3-1	Funds for personal incomes and other personal benefits of officials	3,636,090	4,086,781.00	4,086,781.00
474	01-3-2	Drafting of technical regula- tions	950,000	950,000.00	950,000.00
475	01-3-2	Expenses of international co- operation	1,500,000	1,500,000.00	1,500,000.00
476	01-3-2	Traveling expenses abroad	2,500,000	2,500,000.00	2,500,000.00
477	01-3-2	Compensation for the work of commission members	450,000	450,000.00	450,000.00

Article 5 (continued)

1	2	3	4	5	6
478	01-3-2	Printing of international licenses and permits in the transportation sector	170,000	170,000.00	170,000.00
479	01-3-2	Purchase of and addition to equipment	250,000	60,000.00	60,000.00
480	01-3-2	Membership dues in international organizations			
481	01-3-2	Expenses of participation of Jugoregistar specialists on projects of interest to the Federation	11,066,360	7,722,868.00	7,722,868.00
482	01-3-2	Compensation for separation from family	1,180,000	3,680,000.00	3,680,000.00
483	01-3-2	Costs of meetings of the committee	200,000	200,000.00	200,000.00
484	01-3-2	Expenses of representative officer abroad	300,000	300,000.00	300,000.00
485	01-3-2	Maintenance of two-way scheduled air service between Belgrade and Tirana	1,155,380	1,055,380.00	1,055,380.00
486	01-3-2	Maintenance of two-way scheduled air service between Belgrade and Malta	5,200,000	7,048,000.00	7,048,000.00
487	01-3-2	Compensation of airports for work to meet the needs of air traffic safety	9,400,000	9,400,000.00	9,400,000.00
488	01-3-2	For safety of shipping and maritime transportation	16,000,000	16,000,000.00	16,000,000.00
489	01-3-2	For safety of shipping in river transportation	62,088,000	62,088,000.00	62,088,000.00
490	01-3-3	Defense-related projects	63,000,000	63,000,000.00	63,000,000.00
491	01-3-3	Funds for operation of the Geomagnetic Institute and projects of interest to the Federation	300,000	300,000.00	300,000.00
			13,000,000	13,843,492.00	13,843,492.00

Article 5 (continued)

1	2	3	4	5	6
492	01-3-3	Funds to cover obligations resulting from passes issued in passenger transportation	90,000,000	100,000,000.00	98,677,462.30
493	01-4	Financing the program for modernization of the Institution for Maintenance of Maritime Waterways and the Institution for Maintenance of Inland Waterways	24,700,000	26,604,000.00	26,604,000.00
494	01-4	Funds for regulation of the Danube River	141,000,000	111,000,000.00	111,000,000.00
Total Basic Purpose 01			468,109,960	457,337,789.00	456,015,251.30
Total Title 1			468,109,960	457,337,789.00	456,015,251.30

Title 2. Federal Flight Control Administration

Basic Purpose 01--Funds for Operation of Administrative Agencies

495	01-1-1	Funds for personal incomes of personnel	298,668,380	348,062,289.00	348,062,289.00
496	01-2	Funds for material costs	3,500,000	3,800,000.00	3,798,613.45
497	01-3-1	Funds for personal incomes and other personal benefits of officials	910,560	1,072,110.00	1,067,676.35
498	01-3-2	Operating expenses of facilities	60,000,000	53,900,000.00	50,826,006.34
499	01-3-2	Rent	1,542,270	1,542,270.00	1,252,118.00
500	01-3-2	Expenses of aircraft use	8,000,000	10,000,000.00	9,994,869.75

Article 5 (continued)

1	2	3	4	5	6
501	01-3-2	Compensation for work at night, on holidays and over-time	9,300,000	9,300,000.00	8,580,489.95
502	01-3-2	Remuneration of nonstaff personnel	1,424,600	744,600.00	742,581.55
503	01-3-2	Expenses of vehicle use	6,000,000	8,000,000.00	7,853,194.45
504	01-3-2	Insurance	4,645,500	3,925,346.00	2,700,100.20
505	01-3-2	Traveling expenses in Yugoslavia via	8,000,000	6,490,000.00	6,446,899.50
506	01-3-2	Print shop expenses	630,000	650,000.00	492,422.50
507	01-3-2	Purchase of clothing and footwear	5,329,850	5,329,850.00	5,270,343.60
508	01-3-2	Bank service charges	1,400,000	1,500,000.00	1,497,145.02
509	01-3-2	Traveling expenses abroad	1,265,000	635,000.00	513,709.25
510	01-3-2	Membership dues in international and other organizations	193,150	193,150.00	192,696.40
511	01-3-2	Purchase of equipment for safety in the workplace	868,430	868,430.00	747,363.35
512	01-3-2	Expenses under guaranties issued	60,000	60,000.00	1,111.70
513	01-3-2	Addition to equipment and furnishings	1,500,000	200,000.00	168,506.40
514	01-3-2	Postage and telegraph and telephone service	24,580,240	20,480,200.00	19,133,471.60
515	01-3-2	Property storage and security	1,836,500	1,836,500.00	1,827,541.80
516	01-3-2	Medical examinations and screening of pilots and chauffeurs	1,073,900	1,073,900.00	829,898.45
517	01-3-2	Purchase of school supplies and textbooks for training program	520,000	520,000.00	349,694.40
518	01-3-2	Public relations	115,000	35,000.00	30,533.95
519	01-3-2	Expenses of resurveying air navigation charts	1,750,000	1,750,000.00	1,716,990.00

Article 5 (continued)

1	2	3	4	5	6
520	01-3-2	Expenses paid under military regulations			
521	01-3-3	Defense-related projects	2,030,000	2,000,000.00	1,384,987.45
522	01-4	Financing the program for integration of joint services for guiding civilian and military aircraft	260,000	260,000.00	184,148.75
523	01-4	Financing the program for modernization of joint services for guiding civilian and military aircraft	194,000,000	159,318,000.00	159,318,000.00
			<u>184,300,000</u>	<u>153,528,000.00</u>	<u>153,528,000.00</u>
		Total Basic Purpose 01	<u>823,673,380</u>	<u>797,054,685.00</u>	<u>788,511,403.10</u>
		Total Title 2	<u>823,673,380</u>	<u>797,054,685.00</u>	<u>788,511,403.10</u>
Title 3. Federal Administration for Radio Communication					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
524	01-1-1	Funds for personal incomes of personnel	16,977,240	20,541,788.00	20,541,788.00
525	01-2	Funds for material costs	880,000	968,440.00	968,440.00
526	01-3-1	Funds for personal incomes and other personal benefits of officials	765,500	918,332.00	918,332.00
527	01-3-2	Compensation for overtime	150,000	167,000.00	167,000.00
528	01-3-2	Maintenance of monitoring and measuring centers	400,000	400,000.00	400,000.00
529	01-3-2	Property insurance	1,500,000	900,000.00	900,000.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
530	01-3-2	Purchase of and addition to equipment	243,000	51,000.00	51,000.00
531	01-3-2	Motor pool expenses	291,000	421,000.00	421,000.00
532	01-3-2	Traveling expenses in Yugoslavia via	450,000	450,000.00	450,000.00
533	01-3-2	Traveling expenses abroad	479,180	489,180.00	489,180.00
534	01-3-2	Purchase of clothing and footwear	25,000	15,000.00	15,000.00
535	01-3-2	Drafting of specialized and technical regulations, instructions and studies	20,000	15,000.00	15,000.00
536	01-3-2	Data processing of information and documentation	700,000	700,000.00	700,000.00
537	01-3-3	Defense-related projects	300,000	190,000.00	190,000.00
538	01-4	Financing the Program for Development and Modernization of Work on Planning Radio Frequency and Monitoring Radio Communications	19,885,000	22,279,000.00	22,279,000.00
		Total Basic Purpose 01	43,065,920	48,505,740.00	48,505,740.00
		Total Title 3	43,065,920	48,505,740.00	48,505,740.00
		Title 4. Federal Aviation Inspectorate			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
539	01-1-1	Funds for personal incomes of personnel	9,653,470	14,471,199.00	14,471,199.00
540	01-2	Funds for material costs	1,720,000	2,000,000.00	2,000,000.00

Article 5 (continued)

1	2	3	4	5	6
541	01-3-1	Funds for personal incomes and other personal benefits of officials			
542	01-3-2	Expenses of aircraft and automobile use	399,610	492,250.00	492,250.00
543	01-3-2	Purchase of clothing and footwear	700,000	700,000.00	700,000.00
544	01-3-2	Expenses of international cooperation	180,000	180,000.00	180,000.00
545	01-3-2	Traveling expenses abroad	30,000	30,000.00	10,000.00
546	01-3-2	Remuneration of nonstaff personnel	959,000	959,000.00	759,000.00
547	01-3-2	Traveling and moving expenses	200,000	20,000.00	20,000.00
548	01-3-2	Purchase of and addition to equipment	1,050,000	950,000.00	950,000.00
549	01-3-2	Expenses of translation	1,000,000	1,000,000.00	300,000.00
550	01-3-2	Expenses of organizing conferences	40,000	40,000.00	6,000.00
551	01-3-2	Expenses of specialized education and training	30,000	30,000.00	10,000.00
552	01-3-2	Expenditures for work at night and on holidays	90,000	90,000.00	50,000.00
553	01-3-2	Public relations	30,000	30,000.00	20,000.00
554	01-3-2	Compensation for personnel transport to and from work	5,000	5,000.00	5,000.00
555	01-3-2	Studies and analyses	100,000	100,000.00	100,000.00
556	01-3-2	Membership dues and assessments	100,000	100,000.00	5,000.00
556	01-3-3	Defense-related projects	120,000	120,000.00	120,000.00
			20,000	20,000.00	5,000.00
		Total Basic Purpose 01	16,427,080	21,337,449.00	20,203,449.00
		Total Title 4	16,427,080	21,337,449.00	20,203,449.00

Article 5 (continued)

1	2	3	4	5	6
		Total Section 22 (Items 471 through 557)			
			1,351,276,340	1,324,235,663.00	1,313,235,843.45
		Section 23. Federal Committee for Labor, Health and Social Welfare			
		Title 1. The Committee			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
558	01-1-1	Funds for personal incomes of personnel	28,420,970	34,221,737.00	34,221,737.00
559	01-2	Funds for material costs	900,000	800,000.00	800,000.00
560	01-3-1	Funds for personal incomes and other personal benefits of officials			
561	01-3-2	Traveling expenses abroad	3,274,020	4,052,676.00	4,052,676.00
562	01-3-2	Traveling expenses in Yugoslavia via	2,250,000	1,800,000.00	1,800,000.00
563	01-3-2	Traveling expenses of foreign specialists and their Yugoslav escorts, expenses related to meetings and negotiations with foreign delegations and diplomatic and other representatives	800,000	700,000.00	700,000.00
				650,000.00	650,000.00
564	01-3-2	Compensation for work of members of standing specialized commissions	900,000		
			350,000	350,000.00	350,000.00

Article 5 (continued)

1	2	3	4	5	6
565	01-3-2	Expenses of holding meetings of the committee and its constituent bodies to prepare the health service for nationwide defense	600,000	500,000.00	500,000.00
566	01-3-2	Costs of publishing reports of the labor inspectorate	180,000	30,000.00	30,000.00
567	01-3-2	Membership dues in international organizations	27,041,100	35,241,100.00	35,241,100.00
568	01-3-2	Certain projects in the field of the pharmaceutical service and medical supply of interest to the Federation which will be contracted out to appropriate professional institutions	820,000	820,000.00	820,000.00
569	01-3-2	Purchase of and addition to equipment	2,650,000	350,000.00	350,000.00
570	01-3-2	Translation of material from foreign languages	82,000	82,000.00	82,000.00
571	01-3-2	Purchase of specialized literature	75,000	75,000.00	75,000.00
572	01-3-2	Remuneration of parttime and nonstaff personnel	1,000,000	1,300,000.00	1,300,000.00
573	01-3-2	Compensation for overtime related to public health control at the border	295,000	195,000.00	195,000.00
574	01-3-2	Rent and maintenance on office space for border public health control	450,000	600,000.00	600,000.00
575	01-3-2	Purchase of uniforms for border public health inspectors	140,000	140,000.00	140,000.00
576	01-3-2	Expenses of protecting the country against the importation of infectious diseases	2,000,000	2,710,000.00	2,710,000.00

Article 5 (continued)

1	2	3	4	5	6
577	01-3-2	Expenses of analyzing medical drugs	360,000	360,000.00	360,000.00
578	01-3-2	Expenses related to public health control at the border			
579	01-3-2	Expenses of medical treatment of foreign nationals in Yugoslavia	1,000,000	1,300,000.00	1,300,000.00
580	01-3-2	Protection against ionizing radiations	500,000	400,000.00	400,000.00
581	01-3-2	Material support and housing of refugees	240,000	100,000.00	110,000.00
582	01-3-2	Certain projects in the field of health care of direct interest to performance of federal functions which will be contracted out to the Federal Bureau for Health Care	3,984,300	4,434,300.00	4,434,300.00
583	01-3-2	Expenses of monitoring the pollution of international and interrepublic waters	6,000,000	6,000,000.00	6,000,000.00
584	01-3-2	Operating expenses of the interarea working group to coordinate the effort of federal agencies in carrying out the decision of the United Nations World Conference of the International Year of Women	1,100,000	1,100,000.00	1,100,000.00
585	01-3-2	Yugoslavia's obligations as a member of the World Health Organization	1,900,000	1,900,000.00	1,900,000.00
			200,000	70,000.00	70,000.00

Article 5 (continued)

1	2	3	4	5	6
586	01-3-2	Expenses of preparing the national study within the framework of the OECD project to survey integrated social welfare policies on behalf of the developing countries	150,000	50,000.00	50,000.00
587	01-3-2	Material support and housing of the family of Danijel Tekesta and Anihita Ratebzad	427,400	227,400.00	227,400.00
588	01-3-2	Yugoslav Committee for the United Nations International Year of the Child--1979	1,500,000	1,500,000.00	1,500,000.00
589	01-3-3	Financing activities directed toward Yugoslav nationals working abroad	15,000,000	15,000,000.00	15,000,000.00
590	01-3-3	Funds for the May Day Prizes	1,453,000	1,453,000.00	1,453,000.00
591	01-3-3	Defense-related projects	130,000	130,000.00	130,000.00
592	01-4	Construction of housing in connection with assimilation of refugees	11,640,000	11,640,000.00	11,640,000.00
Total Basic Purpose 01			117,812,790	130,292,213.00	130,292,213.00
Total Title 1			117,812,790	130,292,213.00	130,292,213.00
Title 2. Federal Bureau for Employment Security					
Basic Purpose 01--Funds for Operation of Administrative Agencies					
593	01-1-1	Funds for personal incomes of personnel	14,861,500	15,483,738.00	15,483,738.00
594	01-2	Funds for material costs	1,884,500	1,884,500.00	1,884,500.00

Article 5 (continued)

1	2	3	4	5	6
595	01-3-1	Funds for personal incomes and other personal benefits of officials	1,148,500	1,148,500.00	1,137,027.00
596	01-3-2	Material costs of standing joint commissions which Yugoslavia has with foreign countries	549,000	549,000.00	549,000.00
597	01-3-2	Compensation for separation from family of social workers abroad and expenses of sending those social workers abroad	5,800,000	5,500,000.00	5,100,000.00
598	01-3-2	Expenses of printing and publishing bulletins and reports	240,000	240,000.00	240,000.00
599	01-3-2	Official trips in Yugoslavia	330,000	240,000.00	240,000.00
600	01-3-2	Compensation for overtime and nighttime work	15,000	--	--
601	01-3-2	Traveling expenses abroad	900,000	300,000.00	300,000.00
602	01-3-2	Purchase of specialized literature	50,000	50,000.00	50,000.00
603	01-3-2	Purchase of and addition to equipment	200,000	100,000.00	100,000.00
604	01-3-3	Defense-related projects	30,000	30,000.00	30,000.00
		Total Basic Purpose 01	26,008,500	25,525,738.00	25,114,265.00
		Total Title 2	26,008,500	25,525,738.00	25,114,265.00
		Total Section 23 (Items 558 through 604)	143,821,290	155,817,951.00	155,406,478.00

Article 5 (continued)

1	2	3	4	5	6
		Section 24. Federal Committee for Affairs of War Veterans and Military Disabled			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
605	01-1-1	Funds for personal incomes of personnel	4,430,180	5,212,575.00	5,212,575.00
606	01-2	Funds for material costs	366,160	366,160.00	366,160.00
607	01-3-1	Funds for personal incomes and other personal benefits of officials	1,151,930	1,472,011.00	1,472,011.00
608	01-3-2	Traveling expenses abroad	236,890	236,890.00	219,395.55
609	01-3-2	Traveling expenses in Yugosla- via	200,000	200,000.00	133,384.60
610	01-3-2	Translation of disability and other documents and materials from foreign languages	42,500	20,000.00	--
611	01-3-2	Expenses of holding meetings of the committee	210,000	110,000.00	58,754.40
612	01-3-2	Funds for exceptional projects and tasks in preparing bills and sublegal regulations in the field of welfare of war veterans and the military disabled	150,000	22,000.00	--
613	01-3-3	Management of graves and ceme- teries of Yugoslav war casu- alties and veterans	2,000,000	1,000,000.00	919,903.00
		Total Basic Purpose 01	8,787,660	8,639,636.00	8,382,183.55

Article 5 (continued)

1	2	3	4	5	6
		Basic Purpose 05--Obligations To Finance Public Services			
614	05-9	Funds for preferential old-age pensions (not including mili- tary old-age pensions) in the context of the provisions of the law on obligations of the Federation for Old-Age Pen- sions of War Veterans			
615	05-11	Funds for disability benefits of military disabled	12,464,500,000	11,968,500,000.00	11,968,474,965.15
616	05-11	Funds for health care of mili- tary disabled	3,715,500,000	4,142,091,933.50	4,142,091,933.50
617	05-11	Funds for the war veteran's supplement	892,800,000	1,241,806,489.90	1,241,806,489.90
618	05-11	Compensation paid to holders of the 1941 Partisan Commemo- rative Medal and other deco- rations	94,200,000	53,935,120.85	53,935,120.85
619	05-11	Disability benefits of recipi- ents abroad	262,700,000	230,236,813.15	230,236,813.15
620	05-11	Funds for health care of mili- tary disabled in fulfillment of the plan for cooperation with the People's Republic of Poland	31,000,000	28,352,584.60	28,195,619.45
			400,000	539,058.00	539,058.00
		Total Basic Purpose 05	17,461,100,000	17,665,462,000.00	17,665,280,000.00
		Total Section 24 (Items 605 through 620)	17,469,887,660	17,674,101,636.00	17,673,662,183.55

Article 5 (continued)

1	2	3	4	5	6
		Section 25. Federal Committee for Legislation			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
621	01-1-1	Funds for personal incomes of personnel	6,505,480	8,781,279.00	8,781,279.00
622	01-2	Funds for material costs	354,000	354,000.00	354,000.00
623	01-3-2	Funds for personal incomes and other personal benefits of officials	1,785,440	2,356,866.00	2,356,866.00
624	01-3-2	Compensation for separation from family	180,000	180,000.00	180,000.00
625	01-3-2	Translation and copying of ma- terial	38,500	38,500.00	38,500.00
626	01-3-2	Traveling expenses in Yugosla- via of committee members and of its constituent bodies	850,000	850,000.00	530,000.00
627	01-3-2	Public relations	25,000	25,000.00	20,000.00
628	01-3-2	Purchase of equipment	60,000	60,000.00	--
629	01-3-2	Remuneration of nonstaff per- sonnel	100,000	200,000.00	200,000.00
630	01-3-2	Commission for legal affairs of CEMA	500,000	500,000.00	--
		Total Basic Purpose 01	10,398,420	13,345,645.00	12,460,645.00
		Total Section 25 (Items 621 through 630)	10,398,420	13,345,645.00	12,460,645.00

Article 5 (continued)

1	2	3	4	5	6
		Section 26. Federal Customs Administration			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
631	01-1-1	Funds for personal incomes of personnel	825,626,000	928,838,020.00	928,838,020.00
632	01-2	Funds for material costs of the Federal Customs Administration			
633	01-2	Funds for material costs of customhouses	9,000,000	9,000,000.00	9,000,000.00
634	01-3-1	Funds for personal incomes and other benefits of officials	60,000,000	70,500,000.00	70,500,000.00
635	01-3-2	Rent	2,839,200	2,839,200.00	2,839,200.00
636	01-3-2	Reimbursement of loss under Articles 252, 283 and 356 of the Customs Law	8,250,000	10,150,000.00	10,150,000.00
637	01-3-2	Traveling expenses abroad	300,000	500,000.00	500,000.00
638	01-3-2	Compensation for work on Sunday, at night and on holidays	600,000	900,000.00	900,000.00
639	01-3-2	Compensation for the work of customs examination outside the town where the custom-house is located	16,500,000	18,500,000.00	18,500,000.00
640	01-3-2	Maintenance of buildings, train platforms and other structures	2,950,000	2,250,000.00	2,250,000.00
641	01-3-2	Expenses of the Council of the Customs Service	3,500,000	3,000,000.00	3,000,000.00
642	01-3-2	Purchase of clothing and footwear	30,000	30,000.00	30,000.00
			16,000,000	12,400,000.00	12,400,000.00

Article 5 (continued)

1	2	3	4	5	6
643	01-3-2	Membership dues in international organizations			
644	01-3-2	Purchase of automobiles	853,000	1,503,000.00	1,503,000.00
645	01-3-2	Expenses of maintaining the Electronic Computer Center	1,500,000	1,000,000.00	1,000,000.00
646	01-3-2	Expenses of preventing customs crimes and operation and maintenance of equipment	9,000,000	12,600,000.00	12,600,000.00
647	01-3-2	Expenses of the boarding school	10,000,000	7,100,000.00	7,100,000.00
648	01-3-2	Expenses for systematic examinations of personnel	1,000,000	1,000,000.00	1,000,000.00
649	01-3-2	Expenses of insuring personnel	1,600,000	1,550,000.00	1,550,000.00
650	01-2-2	Compensation for overtime work in customhouses	1,500,000	1,500,000.00	1,500,000.00
651	01-3-2	Rewards for detection of customs violations	1,500,000	600,000.00	600,000.00
652	01-3-3	Defense-related projects	1,600,000	1,600,000.00	1,600,000.00
653	01-4	Financing the program for modernization of the customs service	2,000,000	2,000,000.00	2,000,000.00
654	01-4	Supplemental funds because of the increased volume of construction	242,000,000	195,323,000.00	195,323,000.00
		Total Basic Purpose 01	<u>69,000,000</u>	<u>69,000,000.00</u>	<u>69,000,000.00</u>
		Total Section 26 (Items 631 through 654)	<u>1,287,148,200</u>	<u>1,353,683,220.00</u>	<u>1,353,683,220.00</u>
			1,287,148,200	1,353,683,220.00	1,353,683,220.00

Article 5 (continued)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	Section 27. Federal Bureau for Social Plan- ning				
	Basic Purpose 01--Funds for Operation of Administrative Agencies				
655	01-1-1	Funds for personal incomes of personnel	26,806,050	30,696,451.00	30,696,451.00
656	01-2	Funds for material costs	4,300,000	4,572,000.00	4,571,044.85
657	01-3-1	Funds for personal incomes and other benefits of officials	7,175,050	9,067,112.00	8,971,658.45
658	01-3-2	Traveling expenses abroad	440,000	340,000.00	334,272.60
659	01-3	Periodicals and other publica- tions	600,000	--	--
660	01-3-2	Remuneration of nonstaff per- sonnel and expenses of sur- veys	400,000	645,500.00	630,274.00
661	01-3-2	Purchase of and addition to equipment	2,100,000	257,500.00	257,500.00
662	01-3-2	Compensation for overtime	450,000	1,250,000.00	1,100,446.00
663	01-3-2	Preparation of expert evalua- tions and other documents	900,000	2,341,000.00	2,340,882.00
664	01-3-2	Professional consultations and conferences	800,000	150,000.00	150,000.00
665	01-3-2	Publication of the bulletin "Economic Trends in the World and Their Influence on the Yugoslav Economy"	3,510,000	3,510,000.00	3,510,000.00
666	01-3-2	Methodological research	2,925,000	2,925,000.00	2,909,179.30
667	01-3-2	Filing archive materials	250,000	295,000.00	294,712.50
668	01-3-3	Defense-related projects	150,000	150,000.00	142,226.80
		Total Basic Purpose 01	50,806,100	56,199,563.00	55,908,647.50

Article 5 (continued)

1	2	3	4	5	6
		Total Section 27 (Items 655 through 668)	50,806,100	56,199,563.00	55,908,647.50
		Section 28. Federal Bureau for Prices			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
669	01-1-1	Funds for personal incomes of personnel			
670	01-2	Funds for material costs	7,930,290	10,654,580.00	10,654,580.00
671	01-3-1	Funds for compensation of personal incomes and other personal benefits of officials	900,000	1,206,500.00	1,206,500.00
672	01-3-2	Costs of printing publications	2,105,110	2,362,630.00	2,233,870.00
673	01-3-2	Compensation for overtime	50,000	20,000.00	20,000.00
674	01-3-2	Purchase of equipment	183,000	163,000.00	163,000.00
675	01-3-2	Expenses of holding meetings of the Bureau's Council	165,000	165,000.00	--
676	01-3-2	Expenses of professional collaboration with official entities of the price bureaus of the autonomous provinces	100,000	100,000.00	100,000.00
677	01-3-2	Expenses related to drafting upcoming sublegal regulations	100,000	50,000.00	50,000.00
678	01-3-2	Traveling expenses abroad	70,000	40,000.00	40,000.00
679	01-3-2	Translation into the languages of the nationalities and ethnic minorities	80,000	12,000.00	12,000.00
680	01-3-3	Defense-related projects	30,000	--	--
			30,000	35,300.00	35,300.00
		Total Basic Purpose 01	11,743,400	14,809,010.00	14,515,250.00

Article 5 (continued)

1	2	3	4	5	6
		Total Section 28 (Items 669 through 680)	11,743,400	14,809,010.00	14,515,250.00
		Section 29. Federal Bureau of Statistics			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
681	01-1-1	Funds for personal incomes of personnel	89,625,150	106,090,000.00	106,090,000.00
682	01-2	Funds for material costs	8,850,000	9,450,000.00	8,960,017.85
683	01-3-1	Funds for personal incomes and other personal benefits of officials	1,537,300	1,859,449.00	1,858,505.00
684	01-3-2	Fire control and workplace health and safety	82,000	82,000.00	71,702.65
685	01-3-2	Traveling expenses abroad	330,000	630,000.00	532,648.10
686	01-3-2	Membership dues in international organizations	10,300	10,300.00	10,300.00
687	01-3-2	Expenses of statistical studies	5,500,000	3,500,000.00	3,499,895.85
688	01-3-2	Expenses of the Automatic Data Processing Center	3,500,000	5,500,000.00	5,060,904.35
689	01-3-2	Leasing of machines for automatic data processing	2,151,000	2,151,000.00	2,145,870.25
690	01-3-2	Expenses of publishing activity	5,000,000	5,000,000.00	4,756,603.20
691	01-3-2	Maintenance of buildings, equipment and furnishings	500,000	200,000.00	200,000.00
692	01-3-2	Expenses of postgraduate study in the field of statistics	840,500	240,500.00	38,082.00

Article 5 (continued)

1	2	3	4	5	6
693	01-3-2	Expenses of the population, household and housing census	9,000,000	9,000,000.00	9,000,000.00
694	01-3-3	Defense-related projects	160,000	160,000.00	3,554.00
		Total Basic Purpose 01	127,086,280	143,873,249.00	142,248,283.25
		Total Section 29 (Items 681 through 694)	127,086,280	143,873,249.00	142,248,283.25
		Section 30. Federal Bureau for International Scientific, Edu- cational and Cul- tural, and Tech- nical Cooperation			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
695	01-1-1	Funds for personal incomes of personnel	19,903,130	24,947,329.00	24,947,329.00
696	01-2	Funds for material costs	1,210,000	1,210,000.00	1,187,536.65
697	01-3-1	Funds for personal incomes and other personal benefits of officials	1,941,740	2,794,011.00	2,784,291.05
698	01-3-2	Addition to and replacement of equipment	500,000	500,000.00	56,836.75
699	01-3-2	Membership dues in interna- tional organizations	64,346,850	86,539,292.00	86,171,158.60
700	01-3-2	Contribution to the United Na- tions mission in Yugoslavia	4,650,000	4,856,000.00	4,856,000.00

Article 5 (continued)

1	2	3	4	5	6
701	01-3-3	Expenses of regular schooling, specialization and study trips of foreign nationals in Yugoslavia	63,208,000	49,208,000.00	49,094,200.00
702	01-3-3	Expenses of preparing specialists for departure, participation in the salaries of Yugoslav specialists and aid in organizing the Center for Training Personnel in the Developing Countries	27,000,000	27,000,000.00	26,181,214.55
703	01-3-3	Preparation of studies, expert evaluations, technical documentation, publications, international seminars, special courses for the developing countries and production of films	6,000,000	6,000,000.00	5,372,269.60
704	01-3-3	Cultural and educational cooperation with the developing countries	10,000,000	6,500,000.00	6,442,799.45
705	01-3-3	International seminar entitled "The University Today"--participation of representatives from the developing countries	120,000	120,000.00	120,000.00
706	01-3-3	International negotiations and meetings of joint commissions, traveling expenses in Yugoslavia and abroad	5,000,000	3,497,000.00	3,155,440.90
707	01-3-3	Share in the salaries of instructors teaching the children of Yugoslavs employed temporarily in the countries of Western Europe	75,000,000	82,836,029.00	82,353,358.10

Article 5 (continued)

1	2	3	4	5	6
708	01-3-3	Translation and copying of studies, reports, analyses and other material	826,000	826,000.00	237,356.80
709	01-3-3	Compensation for health care services rendered to the personnel of the United Nations mission in Yugoslavia	50,000	50,000.00	2,926.45
710	01-3-3	Compensation for certain tasks in the jurisdiction of the Federation rendered by the Yugoslav Bibliographic Institute	1,115,000 1,510,000	1,115,000.00 1,510,000.00	1,114,634.20 1,469,601.30
711	01-3-3	Information activity	9,000,000	3,803,000.00	2,419,778.95
712	01-3-3	Center for Guidance and Organization of Mutual Cooperation of the Nonaligned Countries in the Fields of Science and Technology	113,020	113,020.00	90,068.80
713	01-3-3	Defense-related projects	291,493,740	303,424,681.00	298,056,801.15
		Total Basic Purpose 01		303,424,681.00	298,056,801.15
		Total Section 30 (Items 695 through 713)	291,493,740	303,424,681.00	298,056,801.15
		Section 31. Federal Hydrometeorology Bureau			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
714	01-1-1	Funds for personal incomes of personnel	72,934,350	83,628,423.00	83,628,423.00
715	01-2	Funds for material costs	6,000,000	6,000,000.00	5,972,006.10

Article 5 (continued)

1	2	3	4	5	6
716	01-3-1	Funds for personal incomes and other personal benefits of officials	750,250	2,519,752.00	2,508,210.80
717	01-3-2	Compensation for work on Sunday, at night and on holidays			
718	01-3-2	Compensation of Radio Belgrade for broadcasting water levels on the Danube	3,816,420	4,716,420.00	4,373,366.05
719	01-3-2	Expenses of telecommunications	3,150,000	1,380,000.00	1,380,000.00
720	01-3-2	Traveling expenses abroad	6,555,000	7,455,000.00	7,417,467.00
721	01-3-2	Membership dues in international organizations	300,000	397,000.00	394,306.75
722	01-3-2	Expenses incurred in earning income from publishing activity	1,200,000	15,851,844.00	13,804,670.55
723	01-3-2	Addition to equipment	175,000	75,000.00	74,544.30
724	01-3-2	Printing the Yearbook, the Climate Atlas and other specialized publications	330,000	330,000.00	330,000.00
725	01-3-2	Maintenance of buildings, equipment and furnishings	1,650,000	950,000.00	945,330.40
726	01-3-2	Traveling expenses in Yugoslavia via	3,520,000	2,120,000.00	2,155,600.35
727	01-3-2	Purchase of clothing and footwear	900,000	724,000.00	716,120.60
728	01-3-2	Motor vehicle maintenance and fuel	600,000	600,000.00	589,441.25
729	01-3-2	Rent on office space	450,000	530,000.00	508,791.10
730	01-3-2	Expenses of training hydrometeorologists	2,500,000	2,620,000.00	2,417,005.75
731	01-3-3	Defense-related projects	500,000	200,000.00	199,455.00
732	01-4	Financing the Program for Development and Modernization of the Air Navigation Weather Service in Yugoslavia	200,000	158,000.00	157,033.45
			23,377,000	26,557,000.00	26,557,000.00

Article 5 (continued)

1	2	3	4	5	6
		Total Basic Purpose 01	138,908,020	156,812,439.00	154,088,772.45
		Total Section 31 (Items 714 through 732)	138,908,020	156,812,439.00	154,088,772.45
		Section 32. Federal Bureau for Standardization			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
733	01-1-1	Funds for personal incomes of personnel	21,774,350	27,550,653.00	27,550,653.00
734	01-2	Funds for material costs	1,540,000	2,070,000.00	2,052,968.40
735	01-3-2	Funds for personal incomes and other personal benefits of officials	1,134,040	1,351,773.00	1,351,723.35
736	01-3-2	Expenses of preparing and distributing Yugoslav standards and technical specifications	8,850,000	7,150,000.00	5,761,637.25
737	01-3-2	Translation of Yugoslav standards into the languages of the nationalities of Yugoslavia via	3,500,000	3,500,000.00	3,447,000.70
738	01-3-2	Membership dues in international organizations	1,994,400	2,664,400.00	2,646,727.70
739	01-3-2	Purchase of equipment related to translation of Yugoslav standards	1,200,000	--	--
740	01-3-2	Expenses of the Commission for Standardization of Motor Vehicles	2,360,000	1,860,000.00	1,630,000.00

Article 5 (continued)

1	2	3	4	5	6
741	01-3-2	Expenses of administering the certification system	2,500,000	200,000.00	200,000.00
742	01-3-3	Defense-related projects	77,000	77,000.00	43,229.75
		Total Basic Purpose 01	44,929,790	46,423,826.00	44,683,941.15
		Total Section 32 (Items 733 through 742)	44,929,790	46,423,826.00	44,683,941.15
		Section 33. Federal Bureau for Patents			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
743	01-1-1	Funds for personal incomes of personnel	17,574,850	22,125,489.00	22,125,489.00
744	01-2	Funds for material costs	1,000,000	1,000,000.00	1,000,000.00
745	01-3-1	Funds for personal incomes and other personal benefits of officials	723,220	1,318,292.00	1,318,292.00
746	01-3-2	Expenses of printing patent documents	550,000	4,230,000.00	4,230,000.00
747	01-3-2	Traveling expenses abroad	500,000	500,000.00	400,000.00
748	01-3-2	Purchase of and addition to equipment	1,500,000	800,000.00	800,000.00
749	01-3-2	Printing the patent herald	350,000	1,103,000.00	1,103,000.00
750	01-3-2	Preparation of forms and materials for photocopying	230,000	343,000.00	343,000.00
751	01-3-2	Preparation and shipment of patent documentation	250,000	250,000.00	250,000.00
752	01-3-2	Expenses of publishing activity	30,000	--	--

Article 5 (continued)

1	2	3	4	5	6
753	01-3-2	Expenses of printing international patent documentation	200,000	--	--
754	01-3-2	Expenses of professional conferences	25,000	--	--
755	01-3-2	Filing of patent documents and archive materials			
756	01-3-2	Purchase of nonpatent literature for the Center for Patent Documentation and Information	200,000	140,000.00	140,000.00
757	01-3-2	Translation of international patent documentation and classification	300,000	300,000.00	300,000.00
758	01-3-2	Expenses of the Federal Coordinating Committee for Creativity	30,000	30,000.00	30,000.00
759	01-3-3	Defense-related projects	350,000	350,000.00	350,000.00
			40,000	10,000.00	10,000.00
		Total Basic Purpose 01	23,853,070	32,501,781.00	32,401,781.00
		Total Section 33 (Items 743 through 759)			
			23,853,070	32,501,781.00	32,401,781.00
		Section 34. Federal Bureau for Standards and Measures and Precious Metal			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
760	01-1-1	Funds for personal incomes of personnel			
761	01-2	Funds for material costs			
			47,800,620	59,281,690.00	59,281,690.00
			5,000,000	5,100,000.00	4,543,666.75

Article 5 (continued)

1	2	3	4	5	6
762	01-3-1	Funds for personal incomes and other personal benefits of officials			
763	01-3-2	Rent	759,600	1,525,521.00	1,490,393.00
764	01-3-2	Purchase of laboratory equipment and other equipment and furnishings	460,000	835,000.00	833,153.20
765	01-3-2	Expenses of improvement of the service	7,000,000	6,240,000.00	6,149,190.00
766	01-3-2	Membership dues in international organizations	264,000	264,000.00	116,023.65
767	01-3-2	Traveling expenses in Yugoslavia via	476,100	508,200.00	508,200.00
768	01-3-2	Traveling expenses abroad	10,000,000	9,000,000.00	7,975,080.45
769	01-3-2	Expenses of international co-operation	100,000	190,000.00	190,000.00
770	01-3-2	Costs of publications issued	105,000	25,000.00	3,740.00
771	01-3-2	Expenses of current building maintenance	613,000	463,000.00	187,408.00
772	01-3-2	Expenses of truck maintenance	2,800,000	4,630,000.00	4,440,321.05
773	01-3-2	Public relations	950,000	950,000.00	753,888.50
774	01-3-2	Purchase of protective clothing and footwear	8,800	8,800.00	8,513.20
775	01-3-2	Purchase of professional publications and literature	400,000	130,000.00	101,349.60
776	01-3-2	Nonautomatic data processing	140,000	190,000.00	190,000.00
777	01-3-2	Expenses of translation into the languages of the nationalities and ethnic minorities of Yugoslavia and from and into foreign languages	350,000	100,000.00	90,810.00
778	01-3-2	Expenses of printing forms related to earning income	72,000	22,000.00	6,450.00
779	01-3-2	Expenses of information activity	650,000	1,300,000.00	1,059,380.50
			300,000	130,000.00	85,853.25

Article 5 (continued)

1	2	3	4	5	6
780	01-3-3	Defense-related projects			
781	01-4	Laboratory construction and adaptation	120,000	120,000.00	120,000.00
			2,910,000	2,910,000.00	2,910,000.00
		Total Basic Purpose 01	81,279,120	93,933,211.00	91,045,111.15
		Total Section 34 (Items 760 through 781)	81,279,120	93,933,211.00	91,045,111.15
		Section 35. Federal Geology Bureau			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
782	01-1-1	Funds for personal incomes of personnel	3,289,850	3,622,343.00	3,622,343.00
783	01-2	Funds for material costs	185,000	255,000.00	255,000.00
784	01-3-1	Funds for personal incomes and other personal benefits of officials	354,730	1,104,644.00	1,100,528.65
785	01-3-2	Expenses of the standing delegation for cooperation with CEMA in the field of geology	580,000	385,000.00	176,812.20
786	01-3-2	Expenses of the Yugoslav Committee for the International Program of Geological Correlation	500,000	500,000.00	472,292.35
787	01-3-2	Preparation and printing of the Comprehensive Geological Map of Yugoslavia	9,759,100	9,709,100.00	9,687,102.70
788	01-3-2	Expenses of the Commission for the Comprehensive Geological Map of Yugoslavia	65,000	65,000.00	30,536.00

Article 5 (continued)

1	2	3	4	5	6
789	01-3-2	Shipping costs			
790	01-3-2	Purchase of equipment	40,000	--	--
791	01-3-2	Expenses of compiling the balance of mineral raw materials and subsurface water of the SFRY	232,960	14,960.00	14,121.00
			<u>530,000</u>	<u>480,000.00</u>	<u>420,954.20</u>
		Total Basic Purpose 01	<u>15,536,640</u>	<u>16,136,047.00</u>	<u>15,779,690.10</u>
		Total Section 35 (Items 782 through 791)	15,536,640	16,136,047.00	15,779,690.10
		Section 36. Yugoslav Archives			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
792	01-1-1	Funds for personal incomes of personnel	11,327,840	15,204,725.00	15,204,725.00
793	01-2	Funds for material costs	2,354,000	1,808,000.00	1,808,000.00
794	01-3-1	Funds for personal incomes and other personal benefits of officials	1,056,250	1,265,095.00	1,265,091.55
795	01-3-2	Compensation for separation from family	60,000	60,000.00	60,000.00
796	01-3-2	Compensation for overtime	650,000	890,000.00	858,177.75
797	01-3-2	Public relations	65,040	32,040.00	31,370.50
798	01-3-2	Costs of protecting archive materials in case of war	500,000	500,000.00	500,000.00
799	01-3-2	Membership dues in the international fund for development of archives	150,000	180,000.00	180,000.00

Article 5 (continued)

1	2	3	4	5	6
800	01-3-2	Expenses of maintaining the buildings, equipment and furnishings			
801	01-3-2	Traveling expenses abroad	250,000	100,000.00	75,892.40
802	01-3-2	Expenses of preparing the project (publication, research, photographing archive materials in Yugoslavia and abroad, analysis and preparation of archive materials for automatic data processing)	250,000	220,000.00	137,446.90
803	01-3-2	Expenses of publishing activity	350,000	--	--
			<u>1,000,000</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>
		Total Basic Purpose 01	<u>18,013,130</u>	<u>21,259,860.00</u>	<u>21,120,704.10</u>
		Total Section 36 (Items 792 through 803)	18,013,130	21,259,860.00	21,120,704.10
		Section 37. Administration for Personnel Affairs of the Federal Executive Council			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
804	01-1-1	Funds for personal incomes of personnel	1,284,040	1,538,195.00	1,538,195.00
805	01-2	Funds for material costs	120,000	120,000.00	108,772.55
806	01-3-1	Funds for personal incomes and other personal benefits of officials	782,490	1,190,638.00	1,188,073.80

Article 5 (continued)

1	2	3	4	5	6
807	01-3-2	Funds for personal incomes and other personal benefits of officials on waiting status and persons with special status	21,399,300	22,584,913.00	22,543,062.85
		Total Basic Purpose 01	23,585,830	25,433,746.00	25,378,104.20
		Total Section 37 (Items 804 through 807)	23,585,830	25,433,746.00	25,378,104.20
		Section 38. Department for Rendering Services To Meet the Needs of Public Relations of Federal Bodies and Agencies			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
808	01-1-1	Funds for personal incomes of personnel	72,362,860	89,213,400.00	89,213,400.00
809	01-2	Funds for material costs	2,300,000	3,409,672.00	3,409,672.00
810	01-3-1	Funds for personal incomes and other personal benefits of officials			
811	01-3-2	Expenses of maintaining structures and equipment	373,950	843,419.00	843,419.00
812	01-3-2	Expenses of maintaining and improving the Jelen Hunting and Forest Preserve, Belgrade	58,646,640	67,697,733.00	67,697,733.00
			27,500,000	27,500,000.00	27,500,000.00

Article 5 (continued)

1	2	3	4	5	6
813	01-3-2	Expenses of maintaining and improving the Koprivnica Hunting and Forest Preserve, Belgrade	3,540,000	3,540,000.00	3,540,000.00
814	01-3-2	Remuneration of nonstaff personnel	1,000,000	667,570.00	667,560.00
815	01-3-2	Compensation for overtime and nighttime work	6,000,000	7,145,000.00	7,145,000.00
816	01-3-3	Defense-related projects	120,000	106,337.00	106,337.00
817	01-4	Purchase of vehicles and equipment	63,050,000	45,455,000.00	45,455,000.00
818	01-4	Construction work	15,714,000	27,309,000.00	27,309,000.00
819	01-4	Erection of a wire fence and purchase of equipment for the Jelen Hunting and Forest Preserve			
		Total Basic Purpose 01	<u>8,730,000</u>	<u>8,730,000.00</u>	<u>8,730,000.00</u>
			<u>259,337,450</u>	<u>281,617,131.00</u>	<u>281,617,121.00</u>
		Total Section 38 (Items 808 through 819)	259,337,450	281,617,131.00	281,617,121.00

Article 5 (continued)

1	2	3	4	5	6
		Section 39. Department for Administrative and Accounting Functions of Federal Administrative Agencies and Federal Organizations			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
820	01-1-1	Funds for personal incomes of personnel	7,678,930	60,309,582.00	60,309,582.00
821	01-2	Funds for material costs	5,000,000	4,800,000.00	4,800,000.00
822	01-3-1	Funds for personal incomes and other personal benefits of officials	460,100	1,117,321.00	1,117,321.00
823	01-3-2	Expenses of franking the mail	2,000,000	1,350,000.00	1,350,000.00
824	01-3-2	Spare parts for printing presses and supplies	1,085,960	1,085,960.00	1,085,960.00
825	01-3-2	Compensation for overtime and nighttime work	2,900,000	3,500,000.00	3,500,000.00
826	01-3-2	Remuneration of nonstaff personnel	280,000	3,000.00	3,000.00
827	01-3-2	Purchase of equipment	3,000,000	4,127,000.00	4,127,000.00
		Total Basic Purpose 01	62,404,990	76,292,863.00	76,292,863.00
		Total Section 39 (Items 820 through 827)	62,404,990	76,292,863.00	76,292,863.00

1	2	3	4	5	6
		Section 40. Administration for Management of Office Buildings of Federal Bodies and Agencies			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
828	01-1-1	Funds for personal incomes of personnel	94,530,980	119,404,567.00	119,404,567.00
829	01-2	Funds for material costs	3,000,000	3,706,000.00	3,310,082.10
830	01-3-1	Funds for personal incomes and other personal benefits of officials	378,030	683,274.00	682,810.00
831	01-3-2	Overhead expenses related to maintenance of buildings and equipment	120,000,000	111,300,000.00	108,998,908.30
832	01-3-2	Purchase of equipment and re- construction projects	85,000,000	31,080,000.00	15,997,253.95
833	01-3-2	Insurance on buildings and equipment	3,540,000	4,140,000.00	4,140,000.00
834	01-3-2	Telephone expenses of joint switchboards	12,023,490	16,823,490.00	16,823,460.00
835	01-3-2	Compensation for overtime and nighttime work	3,800,000	3,800,000.00	3,790,480.00
836	01-3-2	Work clothes, footwear and equipment for workplace health and safety	1,786,000	1,786,000.00	1,674,492.85
837	01-3-2	Contribution for use of munic- ipal land	6,774,000	7,074,000.00	7,062,907.70
838	01-3-2	Transport services	1,005,870	5,005,870.00	3,771,030.05
839	01-3-2	Expenses of establishing spe- cial telephone communications	9,350,000	4,350,000.00	3,870,778.40

Article 5 (continued)

1	2	3	4	5	6
840	01-3-3	Defense-related projects			
841	01-4	Purchase of equipment for the new office building of federal bodies and agencies	900,000	520,000.00	493,205.45
			<u>74,690,000</u>	<u>70,666,853.40</u>	<u>70,666,853.40</u>
		Total Basic Purpose 01	<u>416,778,370</u>	<u>380,340,054.00</u>	<u>360,686,829.20</u>
		Total Section 40 (Items 828 through 841)	416,778,370	380,340,054.40	360,686,829.20
		Section 41. Garage of Federal Bodies and Agencies			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
842	01-1-1	Funds for personal incomes of personnel	46,231,690	53,145,840.00	53,145,840.00
843	01-2	Funds for material costs	3,044,400	1,594,400.00	1,594,400.00
844	01-3-1	Funds for personal incomes and other personal benefits of officials	360,640	432,544.00	432,544.00
845	01-3-2	Compensation for overtime	5,964,490	7,964,490.00	7,964,490.00
846	01-3-2	Purchase of spare parts and expenditures for miscellaneous purposes	30,000,000	32,000,000.00	32,000,000.00
847	01-3-2	Remuneration of nonstaff personnel	30,000	30,000.00	30,000.00
848	01-3-2	Purchase of equipment and automobiles	13,000,000	--	--
849	01-3-2	Purchase of tools and pieces of equipment	250,000	--	--

Article 5 (continued)

1	2	3	4	5	6
850	01-3-3	Purchase of transportation equipment for national defense purposes	5,000,000	15,700,000.00	15,700,000.00
		Total Basic Purpose 01	103,881,220	110,867,274.00	110,867,274.00
		Total Section 41 (Items 842 through 850)	103,881,220	110,867,274.00	110,867,274.00
		Section 42. Department of Translation			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
851	01-1-1	Funds for personal incomes of personnel	29,242,600	38,679,271.00	38,679,271.00
852	01-2	Funds for material costs	2,500,000	2,200,000.00	2,200,000.00
853	01-3-2	Funds for personal incomes and other personal benefits of officials	2,500,000	2,200,000.00	2,200,000.00
854	01-3-2	Compensation for overtime and nighttime work	1,700,000	2,700,000.00	2,700,000.00
855	01-3-2	Remuneration of nonstaff personnel	1,800,000	1,800,000.00	1,460,000.00
856	01-3-2	Compensation for separation from family	1,700,000	1,700,000.00	900,000.00
857	01-3-2	Traveling expenses abroad	670,000	70,000.00	70,000.00
858	01-3-2	Advanced professional training, specialization of translators for foreign languages	600,000	80,000.00	80,000.00
859	01-3-2	Purchase of and addition to equipment	3,000,000	3,000,000.00	--

Article 5 (continued)

1	2	3	4	5	6
860	01-3-2	Funds to establish the terminology bank	500,000	500,000.00	500,000.00
861	01-3-3	Defense-related projects	100,000	50,000.00	50,000.00
		Total Basic Purpose 01	42,197,040	51,229,748.00	47,089,748.00
		Total Section 42 (Items 851 through 861)	42,197,040	51,229,748.00	47,089,748.00
		Section 43. Administration of Brioni Island			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
862	01-1-1	Funds for personal incomes of personnel			
863	01-2	Funds for material costs	28,202,100	33,880,801.00	33,880,801.00
864	01-3-2	Funds for personal incomes and other personal benefits of officials	18,000,000	19,800,000.00	19,800,000.00
865	01-3-2	Funds for personal incomes of seasonal personnel and non-staff personnel	364,310	440,932.00	440,932.00
866	01-3-2	Compensation for overtime	10,640,000	7,350,000.00	7,350,000.00
867	01-3-2	Expenses of maintaining structures and equipment	1,500,000	1,500,000.00	579,453.55
868	01-3-2	Purchase of equipment and furnishings	51,000,000	51,880,000.00	51,880,000.00
869	04-1	Construction and adaptation of structures	8,500,000	8,500,000.00	8,500,000.00
			6,984,000	7,594,000.00	7,594,000.00
		Total Basic Purpose 01	125,190,410	130,945,733.00	130,025,186.55

Article 5 (continued)

1	2	3	4	5	6
		Total Section 43 (Items 862 through 869)	125,190,410	130,945,733.00	130,025,186.55
		Section 44. Yugoslav Commission for Cooperation With the United Nations Children's Fund (UNICEF)			
		Basic Purpose 01--Funds for Operation of Administrative Agencies			
870	01-3-2	Traveling expenses in Yugoslavia and visits of foreign officials	86,000	86,000.00	86,000.00
871	01-3-		86,000	86,000.00	86,000.00
871	01-3-2	Traveling expenses broad	127,000	127,000.00	127,000.00
872	01-3-2	Printing the bulletin	24,000	24,000.00	24,000.00
873	01-3-2	Contribution to UNICEF	4,300,500	6,415,500.00	6,415,500.00
874	01-3-2	Obligations to the UNICEF program	300,000	300.00	300.00
		Total Basic Purpose 01	4,837,500	6,952,500.00	6,952,500.00
		Total Section 44 (Items 870 through 874)	4,837,500	6,952,500.00	6,952,500.00

Article 5 (continued)

1	2	3	4	5	6
		Section 45. Supplemental Funds to Sociopolitical and Public Organizations			
		Basic Purpose 06--Other General Public Purposes			
		Sociopolitical Organizations			
		Subsidy to the Central Committee of the League of Communists of Yugoslavia			
875	06-2	International activity	18,100,000	18,100,000.00	18,100,000.00
876	06-2	Defense-related projects	1,650,000	1,650,000.00	1,650,000.00
877	06-2	Financing the program for scholarly documentation on the international working class movement			
		Newspaper KOMUNIST	3,800,000	3,800,000.00	3,800,000.00
878	06-2	Bulletin JUGOSLAVENSKI POLITICKI MJESECNIK [YUGOSLAV POLITICAL MONTHLY]	56,400,000	56,400,000.00	56,400,000.00
879	06-2	Program for financing publishing activities directed abroad	2,900,000	2,900,000.00	2,900,000.00
880	06-2	Financing operation of the Josip Broz Tito Political School in Kumrovec	13,500,000	13,500,000.00	13,500,000.00
881	06-2	Publishing the collective works of Josip Broz Tito	16,850,000	16,850,000.00	16,850,000.00
882	06-2		10,200,000	10,200,000.00	10,200,000.00

Article 5 (continued)

1	2	3	4	5	6
		Subsidy to the Federal Conference of the Socialist Alliance of Working People of Yugoslavia			
883	06-2	Financing the work program of the Federal Conference	81,161,000	81,161,000.00	81,161,000.00
884	06-2	Subsidy to the newspaper BORBA	91,000,000	91,000,000.00	91,000,000.00
885	06-2	For the journal JUGOSLAVENSKI PREGLED--in Serbo-Croatian	2,650,000	2,650,000.00	2,650,000.00
886	06-2	For the journal MEDJUNARODNA POLITIKA--in Serbo-Croatian	2,850,000	2,850,000.00	2,850,000.00
887	06-2	For the journal ZENA DANAS [WOMAN TODAY]	1,350,000	1,350,000.00	1,350,000.00
888	06-2	Financing the work program of the Yugoslav council for environmental protection	4,100,000	4,100,000.00	4,100,000.00
889	06-2	Financing the work program of the federal council entitled "The Local Community and Family"	1,600,000	1,600,000.00	1,600,000.00
890	06-2	Financing particularly important international public organizations and civic associations	3,990,000	3,990,000.00	3,990,000.00
		Subsidy to the Presidium of the Conference of the Socialist Youth League of Yugoslavia via			
891	06-2	Financing the work program of the Conference	29,800,000	29,800,000.00	29,800,000.00
892	06-2	Celebration of Youth Day	14,500,000	14,500,000.00	14,500,000.00

Article 5 (continued)

1	2	3	4	5	6
893	06-2	International seminar "The University Today"	820,000	820,000.00	820,000.00
894	06-2	For the newspaper MLADOST	10,960,000	10,960,000.00	10,960,000.00
895	06-2	For the journal IDEJE	2,800,000	2,800,000.00	2,800,000.00
896	06-2	For the Youth Labor Festival	1,050,000	1,050,000.00	1,050,000.00
		Subsidy to the Federation of Associations of Veterans of the National Liberation War of Yugoslavia			
897	06-2	Financing the work program of the Federation	21,600,000	21,600,000.00	21,600,000.00
898	06-2	For the newspaper 4 JUL	7,200,000	7,200,000.00	7,200,000.00
		Subsidy to the Yugoslav Red Cross			
899	06-2	Financing the work program of the Presidium	14,022,000	14,022,000.00	14,022,000.00
900	06-2	Missing persons service	1,700,000	1,700,000.00	1,540,000.00
901	06-2	Defense-related projects	1,700,000	1,700,000.00	1,540,000.00
902	06-2	Mediterranean Conference of National Red Cross and Red Crescent Societies	1,000,000	1,000,000.00	1,000,000.00
903	06-2	Center for training Red Cross and Red Crescent personnel from the developing countries and non-aligned countries and also in those countries	3,750,000	3,750,000.00	3,750,000.00
904	06-2	Membership in the League and the International Red Cross Committee	865,000	865,000.00	865,000.00
905	06-2	Meeting related to Balkan co-operation	400,000	400,000.00	--

Article 5 (continued)

1	2	3	4	5	6
906	06-2	Peace Commission of the Red Cross League	200,000	200,000.00	--
		Subsidy to the Yugoslav League for Peace, Independence and Equality of Nations			
907	06-2	Financing the work program of the League	2,180,000	2,180,000.00	2,180,000.00
		Subsidy to the Federation of United Nations Associations of Yugoslavia			
908	06-2	Financing the work program of the Federation	645,000	645,000.00	645,000.00
		Subsidy to the Federation of Reserve Military Officers of Yugoslavia			
909	06-2	Financing the work program of the Federation	7,500,000	7,500,000.00	7,500,000.00
		Federation for Physical Education of Yugoslavia			
910	06-2	Expenses of international activities of Yugoslavia in the field of physical education	99,600,000	99,600,000.00	99,600,000.00
911	06-2	Extraordinary program of sporting events being conducted only in 1980	22,800,000	22,800,000.00	22,800,000.00
912	06-2	Expenses of the Eighth Mediterranean Games	37,539,000	37,539,000.00	37,539,000.00

Article 5 (continued)

1	2	3	4	5	6
		Popular Technology--Federation of Organizations for Popular Technical Education of Yugo- slavia			
913	06-2	For international activities of Yugoslavia in the field of popular technical education	9,640,000	9,640,000.00	9,640,000.00
		Yugoslav Firefighters Federa- tion			
914	06-2	For fire control	1,928,000	1,783,000.00	1,783,000.00
		Total Basic Purpose 06	606,300,000	606,155,000.00	605,235,000.00
		Total Section 45 (Items 875 through 914)	606,300,000	606,155,000.00	605,235,000.00

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